FOREIGN AFFAIRS

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APRIL 1936

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CONTRIBUTORS TO THIS ISSUE

SIR ALFRED ZIMMERN, Professor of International Relations, Oxford University; Director of the Geneva School of International Studies; formerly Professor of International Politics, University of Wales; author of "The Greek Commonwealth" and other works * * * *LUIGI FEDERZONI*, President of the Italian Senate; member of the Grand Council of Fascism; former Minister of Colonies and of the Interior; Director of *Nuova Antologia* * * * *JULIEN BENDA*, French philosopher and essayist; author of "Discours à la Nation Européenne," "La Trahison des Clercs," and other works * * * *DOROTHY THOMPSON* (Mrs. Sinclair Lewis), foreign correspondent for American newspapers; author of "The New Russia," "I Saw Hitler," and other works * * * *NORMAN THOMAS*, Socialist candidate for President in 1928 and 1932; author of "America's Way Out: A Program for Democracy" and other books on social and political subjects * * * *CHARLES A. BEARD*, former President of the American Historical Association; former President of the American Political Science Association; former Professor of American History at Columbia University; author of "The Rise of American Civilization," "Readings in American Government" and other works * * * *LEON FRASER*, President of the Bank for International Settlements, 1933–1935; Vice-President of the First National Bank of New York * * * *KARL RITTER*, Director of the Economic Section of the German Foreign Office; German representative in many foreign negotiations * * * *CARLOS P. ROMULO*, publisher of the *Philippines Herald*, *El Debate* and other Manila papers * * * *GENERAL RENÉ TOURNÈS*, former Military Attaché at the French Embassy in Berlin; writer on military subjects in the *Echo de Paris* and other French periodicals * * * *BRUCE HOPPER*, Assistant Professor of Government in Harvard University; author of "Pan-Sovietism" and other works * * * *CLARENCE H. HARING*, Professor of Latin-American History and Economics in Harvard University; author of "South America Looks at the United States" and other works * * * *BARBARA WERTHEIM*, on the editorial staff of *The Nation;* recently research worker in the Tokyo office of the Institute of Pacific Relations * * * *WILLIAM O. SCROGGS*, Director of Information, Council on Foreign Relations; joint author of "The United States in World Affairs" * * * *A. O. SARKISSIAN*, Research Assistant in History in the University of Illinois.

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The Editors.

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FOREIGN AFFAIRS

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THE TESTING OF THE LEAGUE

By Sir Alfred Zimmern

ON OCTOBER 7 and 10 last, at meetings of the Council and Assembly of the League of Nations, fifty members of the League, acting according to their individual judgment upon the facts of the case, registered their decisions that a fellow-member, Italy, had violated Article XII of the Covenant by resorting to war against Ethiopia. As a result, Article XVI of the Covenant, which declares that a League member resorting to war in violation of Article XII "shall *ipso facto* be deemed to have committed an act of war against all other Members of the League," was brought into force; and a special diplomatic conference known as the "Coördination Committee" was set on foot in order to watch over the execution of the measures undertaken by League members in virtue of that Article.

To the diplomatic world which frequents Geneva and to the officials of the League the events of those few days seemed little less than a miracle. Had they not become inured to the notion that Article XVI was a dead letter? Had not the whole question of implementing it been pigeon-holed since the Assembly of 1921, which had itself adopted a set of resolutions involving a considerable watering-down of the original text? And had not the League's handling of the Sino-Japanese and the Chaco disputes induced amongst Geneva *habitués* a mood of defeatism — not to say cynicism — which reached its height during the steady transport of Italian troops to Eritrea and Italian Somaliland in the course of the past summer? True, the problem of sanctions had been disinterred in April and referred to a committee; but this action had been taken in pursuance of the policy of the "Stresa Front" and seemed therefore to have little relevance to the African policy of the nation acting as host at the Stresa meeting. Moreover, the committee in question, or rather its legal sub-

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committee (on which Italy was of course represented), had soon become embogged in juridical subtleties which augured ill for any practical results.

But for the man in the street, whether in Great Britain, the Northern countries, the Netherlands, Belgium, Czechoslovakia or any other democratic country, the adoption of sanctions or punitive measures against Mussolini's government after its flagrant attack upon a fellow-member of the League seemed the natural and obvious course to be pursued. The prevailing sentiment on receipt of the news was not one of astonishment that the Geneva machine was really functioning, but rather of impatience because a week had been allowed to elapse between the outbreak of hostilities and the registering of the aggression in the Assembly. If a German army had invaded Alsace, men asked, or a Hungarian army had marched into Transylvania, would not the days have been shortened to hours?

The divergence between these two mentalities — that of the diplomatic world and that of the general public which believes in the League — is a measure of the extent of the task on which the League thus found itself engaged. It constitutes also one of the principal reasons why its success, after four months of common action in the Coördination Committee, is still relative rather than absolute.

The object of the following pages is to examine, in the light of this experience, the nature of the problem confronting the League and to analyze the degree and quality of its achievement to date.

II

First let us ask two preliminary questions of a hypothetical character. What would have happened in regard to Ethiopia if there had been no League of Nations? And, alternatively, what would have happened if the League, whilst continuing to function, had failed to intervene to restrain Italy in her designs?

It is impossible to give a direct answer to the first question. The "might-have-beens" of history, on which Mr. Winston Churchill and others so much enjoy indulging their speculations, cannot be submitted to scientific analysis. But we can at least recall the fact that when in 1898 an attempt was made by France to extend her power eastwards from her existing African possessions to the basin of the Upper Nile, it met with the determined resistance of the British Government of the day. Lord Salisbury, indeed, as the

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records reveal, was always particularly concerned to safeguard British interests in that region. And he was equally concerned to keep the Concert of the European Great Powers from what he would have considered an undue interference in a matter which concerned Great Britain and France alone. If the League of Nations had not come into existence, we are perhaps justified in assuming that the pre-war British policy in that region would have been maintained. It would have been more difficult for British statesmanship to steer clear of outside interference; and there would have been less chance than there is today of arriving at a settlement taking genuine Italian needs and aspirations into account. That is perhaps all that can be said on this very hypothetical subject.

Let us now take the other hypothesis and assume that the League, constituted as it was in the summer of last year, had on one pretext or another failed to take action on behalf of Ethiopia. This, so far as a non-Italian observer can judge, is the hypothesis on which Signor Mussolini proceeded when he planned his invasion. He seems to have depended on Geneva not merely not to obstruct his "Colonial War," but even to facilitate it. For him, Geneva did not stand for the Covenant, with its rules and safeguards "for great and small alike," as President Wilson conceived it: it was simply a diplomatic metropolis and market-place where the three Great Powers in the League — Great Britain, France and Italy — dominated the scene and imposed their will, by appropriate forms of pressure, upon the smaller fry[1]. In other words, in case it proved necessary to keep Great Britain in check, he relied on his understanding with M. Laval, dating from their meeting at Rome in January 1935, together with the complicated Geneva machinery with its inexhaustible opportunities for intrigue and delay. One can imagine Lord Salisbury turning in his grave as Signor Mussolini employed one Genevan artifice after another in order to promote an aggressive national policy of his

[1] This conception of Geneva was expounded with welcome frankness by Signor Grandi in the article published in FOREIGN AFFAIRS in July 1934. Incidentally, this exposition of the Geneva technique, as seen through Italian eyes, brings out forcibly the advantage which an entrenched position at Geneva affords to a government so traditionally skilled in the arts of diplomacy as that of Rome. This may perhaps explain the reluctance of the Italian Government to act upon its oft-repeated threat of withdrawal from the League. It is indeed curious that the threat should ever have been taken seriously or awakened misgivings. The natural rôle for Italy is that taken by Baron Aloisi at the January meetings of the Council — the defence of the rights and privileges of that body, of which Italy is and is likely to remain a permanent member, and on which her representative is indeed at the present time *rapporteur* for "legal questions."

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own, whilst the much-vaunted Covenant, "the sheet-anchor of British policy," not only itself failed to protect the integrity and independence of Ethiopia, but also effectually prevented Britain from taking individual action to safeguard her own legitimate interests. If the Italian calculation had proved correct, the Italo-Ethiopian war would not simply have been acquiesced in by the League: the very existence of the League would have made the war "practical politics" for Italy. The League would thus have performed, in its own peculiar way, the part played by pre-war power diplomacy when it cleared the way for Italian occupation of Tripoli and, in an earlier generation, for the French occupation of Tunis.

Such a League would clearly have been very useful to Italy. On a short view, it would also have been very useful to France; for it would have meant that Africa, always a region of secondary importance in French eyes, would have been withdrawn from the political orbit of the League and that the whole of the attention and effective authority of the League would have been concentrated upon the Continent of Europe.

In this way, the Ethiopian crisis would have carried to a logical conclusion a movement which had been in progress during the preceding four years — if not since the Pan-European campaign of M. Briand in 1929 and 1930. For Geneva had been witnessing a steady process of what can be called "dis-annexation." The Far East was politically dis-annexed from the League through the events of 1931 and 1932, in Manchuria and Shanghai, when the French Government of the day was — to say the least — no more anxious than Lord Reading and Sir John Simon to set the machinery of sanctions in motion. Later on, Latin America was at least morally dis-annexed through the war of attrition which was allowed to be waged in the Chaco — a disgraceful episode which must awaken equally disagreeable memories at Geneva and Washington, if not at Buenos Aires. Here again the French Government, if one may judge from the attitude of its representative in the Advisory Committee, was not amongst the foremost in seeking to apply the procedure of Article XVI to the Covenant-breaking state: it left the championship of strict League principles to the watchful care of Czechoslovakia and Soviet Russia. With Africa equally withdrawn from the League's orbit, and in the continued absence of the United States, all that would have been left to the supervision of Geneva would have been Europe

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and the Near East. The League would thus have become, for political purposes, what many Americans have regarded it as being from the first, a predominantly European body. Indeed, the area over which its effective authority would have been exercised or projected would have corresponded almost exactly with that which enjoyed the intermittent attention of the Concert of the European Great Powers under the pre-war system.

What figure would such a League have presented in British eyes? Merely to put this question is sufficient to bring out the shortsightedness of the French conception, if indeed it was entertained in the responsible quarters in Paris. A League of Nations limited to the European Continent would not have been for Great Britain — still less for the British Dominions — a League of Nations at all. It would have been idle for French or other European partisans of the League to attempt to interest the British people in the application of the Covenant to European problems alone. Britain is indeed unalterably tied to the European mainland. But Sir Samuel Hoare was rightly interpreting the sentiment of his countrymen when he declared, at the conclusion of his famous speech on September 11, that the failure of the League in the crucial Ethiopian test would break down the "main bridge" between Great Britain and the Continent. Thenceforward, British statesmanship would have pursued national interests according to what seemed the most opportune methods, as it did throughout the eighteenth and nineteenth centuries. The League would no doubt have continued to exist, as the Norwegian Foreign Minister, Professor Koht, speaking after Sir Samuel Hoare in the afternoon of the same day, significantly pleaded that it should be allowed to do in such an eventuality. But it would have degenerated into little more than a clearing-house for information and a coördinating center for non-political activities — a sort of glorified Postal Union. The Wilsonian League would have passed into history.

III

Let us now turn to the actual record of the League in the Italo-Ethiopian affair.

The first fact which confronts us is that a war is actually in progress between two members of the League. The League did not succeed in preventing war from breaking out. That is — and whatever may happen later, will always remain — an unhappy

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page in its history. Moreover, the war broke out under circumstances particularly humiliating to the League. The Assembly had only just been in session, with its members deeply interested in the dispute. The Council was actually in process of dealing with it. The eyes of the whole world were on Geneva when the Italian dictator, at the opening of the campaigning season in East Africa, rudely interrupted the business of the diplomatic talking-shop and resorted to arms in violation of four treaties. That this could occur at all is a severe reflection upon the authority of the League and indeed of the whole system of international right. It ought no more to have been able to occur than a violation by some organized group in the United States of a decision of the United States Supreme Court. If a member of the League can thus take the law into his own hands, what is there left of the law? The Covenant of the League of Nations, the Kellogg Pact[2], the Italo-Ethiopian Treaty of 1928, the Tripartite Treaty of 1906 (still valid, within the terms of Article XX of the Covenant) become merely so many pieces of waste paper. Why not put an end to the whole machinery of treaty-making if that is all that its results are worth? Such must have been the reflections of many on hearing the news that the Italian army had crossed the Ethiopian border whilst the Committee of Five was engaged on drawing up its report for the Council.

Why was the League unable to prevent the war from breaking out?

It was not, as in the case of the organization of sanctions, for want of previous discussion and preparation on the subject. During the fifteen years of the League's life an immense amount of time and trouble had been devoted to precisely that problem. It had been prominent in the debates on the Geneva Protocol and in the Preparatory Committee for the Disarmament Conference as well as in the Council and the Assembly. In 1930, on the impulsion of the British Labor Government, the Assembly actually

[2] Baron Aloisi has repeatedly attempted to argue that the Italian action involves no violation of the Kellogg Pact because it is covered by the British reservation to that Pact which, being an integral part of that document, is extended to all the other signatories. There is a double fallacy in this argument: 1. There is no British reservation to the Pact, as anyone who will consult the official text can see for himself. The British observations on which the Italian argument was based were made in the course of the negotiation: but the difficulty to which they called attention — *viz.* that Great Britain could not renounce war in all circumstances against a Power which, without attacking Great Britain, attacked Egypt or Iraq — fell to the ground when these and other countries themselves became signatories. 2. Even if Egypt, etc., had not become signatories to the Pact, the purpose of the British observations was not to reserve the right to go to war against them but to assist in their protection against outside attack.

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gave its approval to a "Model Treaty for Strengthening the Means to Prevent War" which, if it had been signed and observed by League members, would have enabled the Council to intervene on the spot at an early stage of the Italo-Ethiopian dispute. Under the "Model Treaty" the members of the League who had agreed to be bound by it were pledged to accept certain actions taken by the Council for the prevention of war. But even without this pledged acquiescence by the parties, the Council was authorized, as the result of a report dating from 1927, to adopt any of a number of specified measures in the event of an "imminent threat of war." Amongst the measures thus enumerated by what is known as the Cecil-de Brouckère-Titulesco Report, we find the mention of "naval demonstrations" such as "have been employed for such a purpose in the past." Would not a joint naval demonstration on the part of the Mediterranean Powers in the Red Sea and the adjacent Indian Ocean have given pause to the Italian Government in its transportation of troops to the borders of Ethiopia?

Why were no such measures adopted? Why, indeed, was there no suggestion throughout the eight months during which the dispute was before the League of action by the Council on the lines of the Report of 1927? Here we come back to the point from which we started. It was because Italy is a Great Power. To set in motion measures of this kind against a Great Power involved, for the diplomatic world, a revolution in international politics. To begin with, it would have been argued, it was not practicable: and, even if it were, it would not be desirable, for it would fail in its object. So far from preventing war, it would precipitate war.

Let us probe into this reasoning a little more deeply, for it brings us to the heart of our subject. Why was it not "practicable" for the Council or Assembly of the League to organize a joint naval demonstration in the Red Sea?

There was, of course, one immediate and insuperable difficulty — the attitude of France under the Laval Government. But to regard this as the sole objection is to evade the real problem. Even if French opinion had been less favorable to Italy and more favorable to the League than it actually was, the adoption of preventive measures against Italy would have been considered last summer to be outside the range of practical politics.

Why should this be so? For two reasons. First, because of the

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risks to which the individual Powers taking part in these measures would have exposed themselves at the hands of an aggrieved Great Power. It requires a very high degree of courage and public spirit in the statesmen and peoples of smaller states for them to be willing, above and beyond their obligations under the Covenant, to incur the displeasure of a Great Power. *Nemo me impune lacessit* embodies a Latin sentiment which is not yet extinct in Rome; and its natural counterpart in the foreign offices of smaller states is "Leave it to George" — in other words, leave it to Geneva or to the other Great Powers. Why must *we* be brought in?

The second general reason why preventive measures against Italy were not practical politics was that Italy, being a Great Power, would have been exasperated rather than restrained by their adoption. She would have considered them a blow to her prestige. Great Powers may be negotiated with; they may be privately warned; they may even be subjected to pressures of various kinds behind the scenes; but they must not be coerced or intimidated in public. Let the reader, whether he be American or British, transpose the situation and apply it to his own country. He will realize that the problem thus revealed is not a problem affecting only the Italian people, still less the present ruler of Italy. Prestige, or "face" as it is called in the East, is an element which cannot be ignored in dealing with any Great Power. It is the counterpart or inseparable shadow of something that is of supreme importance and value in international politics — something without which the political system of the world would disintegrate into atoms — the sense of responsibility for world affairs. To accept the position of a Great Power is to accept certain obligations — not definite contractual obligations such as are embodied in the Covenant and the Kellogg Pact, but obligations of a more intangible but no less binding character. They are perhaps best summed up in the old French watchword *noblesse oblige*. But if a Great Power has obligations arising out of the greatness of its station, it is part of the same order of ideas that it cannot be coerced or publicly rebuked by others of a lower or lesser station. *Noblesse ne se laisse pas intimider*. That is the psychological reason, with its roots deep in European history, why it was not considered either at Geneva or in the Chancelleries as "practical politics" to adopt preventive measures against the Italian war preparations in the spring and summer of last year. That is why,

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in spite of the elaborate armory of such measures provided in the 1927 Report, the Council set prevention on one side and devoted all its energies to "conciliation."

It is worth adding, however, that the League's effort at conciliation, which did not begin in earnest until the first week in September, was accompanied by a naval demonstration carried out on its own responsibility by a single Power — Great Britain. This measure was in part a response to the concentration of Italian troops near the Egyptian border in Libya and to the persistent anti-British propaganda carried on by the Italian Government in the Near East and through Italian wireless stations. But it was no doubt also hoped that it would sober the mind of the Italian Government and so act as a preventive against the outbreak of war in Ethiopia.

In so far as this was its object, it proved unsuccessful. The Italian transports made their way past the British warships in the Eastern Mediterranean, threaded the Canal, emerged to meet more British craft in the Red Sea, and discharged their human cargoes at Massaua, Assab or Mogadishu. Just so, a few weeks later, the vessels conveying arms and other forms of assistance to the Ethiopians braved the Italian warships, which might have held them up for carrying contraband of war, and landed their consignments safely at Jibuti.

IV

If the record of the League has been a failure so far as the prevention of war is concerned, what are we to say of its record in restraining the aggressor whom it had failed to deter?

There are two answers to this question, one in the practical realm, the other in the psychological.

The practical answer is that the members of the League, other than Italy and a few dissentients and absentees, set machinery on foot against Italy within ten days of the breach of the Covenant and had by October 19 adopted four measures, the combined scope of which is very considerable: (1) the prohibition of the export of arms, ammunition and implements of war; (2) the prohibition of loans, credits, issues of or subscriptions to "shares or other capital flotations for any public authority, person or corporation in Italian territory;" (3) the prohibition of the importation of Italian goods; (4) an embargo on certain exports to Italy, including transport animals, rubber, bauxite, aluminium, iron

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ore, chromium, manganese, nickel, tungsten and certain other key-minerals, together with tin and tin-ore.

These measures had, of course, to be referred to the various governments. Most if not all of these, in the absence of a study of Article XVI at Geneva, had made no previous arrangements for carrying out their obligations in the economic and financial sphere under that Article. When the replies received by the governments were classified on December 11 for the Committee of Eighteen, which is a kind of Executive Committee for the larger Conference, the result was as follows:

Four states, Albania, Austria, Hungary and Paraguay, were taking no action under Article XVI. Of these, Paraguay had given notice of resignation from the League in the previous February: the other three were — if one may so put it — not wholly their own masters. It is, however, worth while pointing out that none of the three, in their speeches in the Assembly in October, contested the *facts* on which the Council Committee based its conclusion that Italy had "resorted to war in disregard of its covenants under Article XII of the Covenant of the League of Nations." In other words, they admitted by implication that they had decided, or felt themselves compelled, to go back upon their obligations under the Covenant. Of the other members, Guatemala, whilst accepting the proposals "in principle," had taken no definite action on any of them, while Salvador had only taken action on the third.

For the rest, the record stood as follows:

Fifty states had adopted measures putting in force Proposal I, forty-seven states had acted on Proposal II, forty-three states on Proposal III, and forty-five states on Proposal IV. The four lists include all the more important members of the League, the absentees being chiefly among the Latin-American states. The chief practical difficulty amongst League members has occurred in connection with the application by Switzerland of the third proposal. The Swiss Government has not prohibited the import of goods from Italy, owing to the existence of an open alternative route through Austria; but it has arranged to prevent any transfer from Switzerland of funds derived from Italian exports and also to keep down to the 1934 level the total value of imports from and exports to Italy.

In addition, the Committee of Eighteen at its meeting on November 6 submitted to the governments a proposal which, in

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view of the controversy which it aroused, should be cited textually:

> It is expedient that the measures of embargo provided for in Proposal IV should be extended to the following articles as soon as the conditions necessary to render this extension effective have been realized:
>
> Petroleum and its derivatives, by-products and residues;
>
> Pig-iron; iron and steel (including alloy steels), cast, forged, drawn, stamped or pressed;
>
> Coal (including anthracite or lignite), coke and their agglomerates, as well as fuels derived therefrom.

December 12 was set as the date for discussing this proposal in the light of the replies from the governments and "the conditions necessary to render" it "effective." That date found the League in the midst of the political crisis provoked by the Hoare-Laval proposals, and no action was therefore taken. On January 22, however, the Committee of Eighteen recurred to the subject and, concentrating on the subject of oil, decided "to create a committee of experts to conduct a technical examination of the conditions governing the trade in and transport of petroleum and its derivatives, by-products and residues, with a view to submitting an early report to the Committee of Eighteen on the effectiveness of the extension of measures of embargo to the above-mentioned commodities." At the moment of writing, this expert Committee is in session at Geneva.

How effective the measures in operation are proving to be, what result they would have if reinforced by an oil embargo, it is impossible for any one outside Italian government circles to estimate. A thick curtain hangs between Italy and the outer world. It would be asking too much of political human nature to expect the statements or official statistics of the Italian government to be taken at their face value. But that the "siege" of the peninsula is causing grave material and moral discomfort is certain. How could it be otherwise? For it is not so much the actual pressure of the League action at the present time which has to be taken into account and must be weighing upon the minds of all thoughtful and responsible Italians. It is the vista of the future.

The Geneva machine is no doubt a ponderous and rusty apparatus which proceeds on its path with a great deal of creaking and spluttering. But if it is difficult to roll it forward, it is equally difficult — perhaps even more difficult — to roll it backwards.

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The four measures now in force may fall far short of the total suspension of intercourse contemplated by the framers of Article XVI. They may be entailing for Italy, not an intense and urgent crisis in her economic life, but something resembling rather a severe and wasting form of pernicious anæmia. And what hope is there of relief — to say nothing of cure? It was difficult enough to bring to an end the Great War after the principal allies had bound themselves not to make a separate peace. How much more difficult will it be, Italians must be asking themselves, especially after the Hoare-Laval fiasco, to bring to an end sanctions voted by fifty states united by a bond of common principle, as also by the very considerable sacrifices involved for each in the diminution of its trade?

Perhaps we may leave this part of our subject with a single further reflection. There are four sanctions at present in force against Italy. Two of them are economic — the action taken by the League of Nations and the sanction — for it is a sanction — involved for the Italian people by the cost of the war itself. A third is the climate and the other physical conditions in the war-zone. A fourth is the military resistance of the Ethiopians. It is impossible for anyone not in the secrets of the Italian Government to assess the relative intensity of these four forms of pressure. But who can doubt that their cumulative effect is very considerable or that the imponderables represented by the action taken at Geneva form a very substantial accretion to the total burden?

v

Let us now turn to the psychological aspect of the question — to the effect upon public opinion throughout the world, and especially amongst the peoples included in the League, of the application of sanctions and of the common effort and enterprise which it represents.

Here we come upon what is undoubtedly the principal event not merely in the unhappy Italo-Ethiopian conflict, but (it is no exaggeration to say) in the history of the League up to the present time. For the last few months have witnessed the emergence of a new political force — a force the existence of which was proclaimed in past years by some and suspected by others, but which had never yet revealed itself as an element with which the democratic governments were bound to reckon and which it would be

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perilous, indeed suicidal, for them to ignore. The prompt, complete and determined rejection of the Hoare-Laval proposals by the people of Great Britain and other countries, leading to the departure from office of the two statesmen responsible for framing them, marks a turning point in the history of the democratic control of foreign affairs — one might go further and say of democracy itself. It showed that, of the two forces or agencies or bodies of opinion contrasted at the outset of this article, that embodying the opinion of the plain citizen could prove itself irresistible on a clear issue of principle. It showed also that the plain citizen did not intend that the issue of principle on which he had definite views (and on which in Great Britain at any rate he had recently expressed his opinion at the polls) should be obscured either by diplomatic verbiage or by power-politics bargaining of the pre-war type or, what is still more important, by threats of violence. What happened in December, so far as the British voter is considered, is simple. The British Government, or at least the Foreign Secretary — it is difficult to speak as definitely on this point of the former as of the latter — did not feel justified in continuing a policy which involved a risk, uncertain in degree, of involving Great Britain in war with Italy. The people of Great Britain showed unmistakably that they were prepared to take that risk in preference to the alternative course which would have involved the end of the League system as they conceived it.

The consequences of this decision by the British people are momentous. For the first time since the League machinery was set up in Geneva in 1920 the League is known and felt to be a power. For the first time, to use the familiar American expression, it has teeth — not teeth in the sense of elaborate provisions drawn up in treaties, such as the Geneva Protocol, but in the sense that the plain citizen is known to be ready to assist the public authority in the restraint of violence. Once sure of that support, the public authority can grapple with its task in an entirely new spirit. The only real sanction, as President Wilson repeatedly declared, and as many, including not a few defeatists, have declared since, is public opinion, "the organized opinion of mankind." In the present instance this opinion organized itself in less than a week.

With the marching order thus clearly given, the rest ought to be comparatively easy. The problem of security, insoluble so long as the element of public opinion remained in doubt, has been

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transformed into a matter of practical adjustment. Truly it was a great day's work which was performed at the Quai d'Orsay on Sunday, December 8, 1935. To General Göring and to M. Pierre Laval must be awarded twin prizes as educators of the British people. The former had already purged it of insular habits of thought which had resisted all previous physicians. Now came the latter, and by dint of a treatment as sudden and almost equally violent fixed the new habits firmly in the groove of collective security. It rests now for British statesmen to continue at home, on constructive lines, the rude education thus supplied from abroad.

For the moment the prospect is obscure, not only in the battle-zone and in Italy, but over the whole of Europe. Never since the Armistice has it been so difficult to foresee the turn which events will take, even in the immediate future. But one thing seems clear. The demonstration that the League is not merely a piece of machinery at Geneva but a reality in the hearts and minds of the people in the leading member-states, great and small alike, both in Europe and overseas, is an immense addition of strength to the League and to the governments associated together in upholding the Covenant. How best to make use of this newly revealed force, how to bring together the plain man's sense of responsibility and grasp of principle with the experience and technique of the Chancelleries, how to prevent Geneva from relapsing once more into the paralyzing cynicism of last summer — all this is on the knees of the gods. But the gods, who in the past have loaded Geneva with so many disappointments, have shown themselves of late not too unkind. No one would say that the sky is clear; but the watchword is "Forward."

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HEGEMONY IN THE MEDITERRANEAN

By Luigi Federzoni

THE Mediterranean question has existed less than three centuries. In classical and mediæval times there could be no Mediterranean problem for the simple reason that there then existed nothing but the Mediterranean. By this I mean that only in the lands which faced naturally towards the middle sea did there develop, flourish, struggle and decay Powers capable of creating civilizations. All of history converged upon that sea, most often by way of the great streams that fed it. There it is that archeological research is continually pushing back the curtain of time, revealing to us ever more remote origins of Mediterranean pre-history in Egypt, Crete, Malta, and even Libya. The paintings at Knossos and the vases of Vaphio attest the vigorous artistic, economic, and social development of the Ægean civilization, as the carved stones and pottery of pre-dynastic Egypt demonstrate that five thousand years before Christ and two thousand before the Pharaohs certain manifestations of organized life had attained unsurpassable perfection in the Valley of the Nile.

For millennia, then, the Mediterranean was a world — we may say *the* world. There it was that the sea Powers arose and succeeded each other as the rulers of that closed domain. Did any of them dare pass its limits? Some have tried to prove that the "Odyssey" is not, as we long thought, the drama of the legendary exordium of adolescent humanity, but rather, like the "Iliad" (a synthesis of a resplendent age that had fallen into oblivion) the poetic transfiguration of a complex of terrifying inventions intentionally propagated by the Phœnicians with the purpose of dissuading others from venturing with their ships into the little-known waters of the western Mediterranean or into the mysterious immensity that lay beyond the Pillars of Hercules. It is told that after the voyages of Bartholomew Diaz and Vasco da Gama, the Portuguese bethought themselves of the same device to fend off their rivals from the Cape route to the East. In the "Lusiads" of Camoens the monster Adamastor, the terror of those sailing to the Orient, was probably — like the Cyclops, the Siren, Scylla and Charybdis in the Homeric poem — one of those fantastic fables invented in defense of a trade monopoly. Which proves that

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in every epoch the sea Powers have adopted every means, not excluding mendacity, to forestall the rise of possible competitors.

Certain it is that the Pillars of Hercules long remained the limit to the economic and political enterprise of the Mediterranean peoples, a limit which they felt neither the courage nor the necessity to exceed. The knowledge of how to reach the Cassiterides, with their wealth of metals, was cancelled from the memory of man by the Phœnicians who alone knew the itinerary. Dante, perhaps recalling the bold attempt on which the Genoese brothers Vivaldi disappeared, launches Ulysses from the "narrow gorge" on his "wild flight." Even later the Pillars of Hercules were still the frontier of ordered and creative civilization. True, in the Dark Ages the Northmen carried home from their raids, back to the barbarians somnolent in the northern forests, the happy tumult of war and the seeds of a new life; but these germinated fully only when the blond progeny of the Vikings appeared within the Mediterranean to plunder along the sun-bathed strands of Provence and Italy.

Then came the era of the great geographical discoveries, a brief, overwhelming outburst that suddenly shifts the axis of the world's life. For two centuries the paths of conquest and trade lead out to ever more remote goals, passing over seemingly limitless horizons in the pursuit of almost magic visions of wealth and adventure. Man's daring and ambition know no bounds. He is impelled by the desire to possess, the fascination of danger and glory, the intoxication of inexhaustible booty. The mediæval mirage of an opulent Levant overflowing with spices and silks pales before the more dazzling myths of El Dorado and Golconda.

The rapid decadence of the maritime Powers in the Mediterranean was accompanied by ever bolder usurpation in that sea by the fleets of the North African corsairs. These even dared to confront the formidable squadrons with which Spain maintained her hegemony from Gibraltar and Ceuta to the Straits of Messina. For two centuries the struggle for the formation of new imperial hierarchies took place outside in the vastness of the oceans. It was waged there, on a stage of a magnitude never before seen, while *mare nostrum*, which had reflected the glory of Rome, seemed by comparison an abandoned swamp.

But the time came when the bands of adventurers and pioneers had spread out over the two American continents. Europe then turned to the assault of the hitherto impenetrable barriers of

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Asia. The shortest ways of approach lay through the Mediterranean. Few at that time had a rational understanding of this new historical cycle and probably no one a conscious program, though it is true that for a moment there was one who, judging from his designs, seemed to foresee events — Oliver Cromwell. Often instinct, motivated by the lure of immediate objectives, guides nations as well as individuals to unforeseen ends. England, youthful antagonist of all-potent Spain, persuaded herself that to break that nation's hegemony she must strike at the organic center of her adversary's life — the Mediterranean. Throughout the eighteenth century increasing English naval activity was to be noted there. Every occasion or pretext to intervene was seized upon by Britain. The War of the Spanish Succession added to the anti-Spanish policy an anti-French one. It happened that during that war Admiral Rooke, having failed to debark at Toulon, sought on his way homeward to dissipate the impression of his ill-success with some brilliant *coup de main*. And so he occupied the rock of Gibraltar, then weakly defended by a small Spanish garrison. Without knowing it, he secured for England an acquisition opening new routes and new horizons for her naval and imperial policy. Few military episodes have introduced such consequences and such complications into the history of Europe. From that day, August 4, 1704, dates the Mediterranean problem. Though it concerns all the littoral states, it is above all a British problem.

II

With the seizure of Gibraltar, which she was never to relinquish, England fell heir to the hegemony of the closed sea, destined again to become the master route of international currents and the locus of the greatest conflicts between nations. Thenceforward England's action for the development and preservation of her Mediterranean supremacy was tortuous, manifold, and continuous. To this end she employed her power and her astuteness, her courage and her money, her labor and her good fortune; yet in every phase of this problem she has constantly masked her action with impersonal motivations and formulas. Sometimes she will justify her behavior by reference to ethical principles, sufficient to counterbalance or at least reduce the weight of material interests. This is not the result of a premeditated calculation; it is the happy coincidence of idealism with profit — a coincidence which constitutes the characteristic expression of the

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British national genius and which originates in that complex of sentiments and moral attitudes which are at once the product and the cause of her religious and political Protestantism and which form the indispensable basis for her institutional, social, and economic structure.

This phenomenon is to be observed in England's acquisition of the Mediterranean hegemony. In the seventeenth and eighteenth centuries English activity was presented as a liberating movement against oppressive and dogmatic Spanish Catholicism. During the period of the French Revolution and the Napoleonic Empire, she assumed the defense of the legitimate order in Europe. In succession, one after the other, she raised the banner of nationality; proclaimed the necessity of arresting the menacing descent of the autocratic Russian colossus towards the shores of the Adriatic and the Ægean; abetted the victory of Christian peoples against the barbarous tyranny of the Turks; made her objective in the World War the life-and-death struggle against militarism; and finally, today, promulgates the new gospel, for which she calls upon the faithful to join in a new crusade, the defense of the pacifist ideology of the League of Nations.

One after another these moral theses have been followed with sincere fervor by wide currents of British public opinion, as well as by diverse and influential sectors of opinion elsewhere. But in every case these appeals to principle have been firmly grafted on to the mighty trunk of Britain's imperial interests.

Typical likewise is the faculty of the English for adapting and changing their diplomatic position to accord with circumstances and convenience. To further her own Mediterranean and world hegemony England in the seventeenth and eighteenth centuries adopted the device of creating destructive coalitions against particular Powers. In the nineteenth century, when the balance of power prevailed, she followed the policy of isolation and of maintaining a navy twice as strong as any two. By the first decade of the present century she had passed over to the system of defensive alliances, and finally after the World War to the concept of international collaboration by means of the League, which is regarded by the practical sense of the British ruling class as offering the least danger and the greatest usefulness, but which is exalted by English Protestant morality as the sacred fortress of universal justice.

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England's action in the Mediterranean we may divide into four periods:

1. The destruction of the hegemony of other states.
2. The prevention of new hegemonies from forming.
3. The creation of a colonial empire of her own with its base in the Mediterranean.
4. The preservation and consolidation of her own predominant imperial position.

The first period began when England came to the Mediterranean to seek out her oceanic adversaries, Spain and France, in order to overcome them on their own ground. The Treaty of Utrecht altered the European equilibrium in favor of England by giving her the naval supremacy of the Mediterranean, and this in turn led her to primacy over Spain and France in the Atlantic.

During the second period England sought either to prevent or to cut short every hostile action that might have menaced not only her predominance in the Mediterranean but her Asiatic empire, then in the process of formation. The struggle was first carried on against the oriental ambitions of Napoleon and then against the North African policy of the Restoration. With his expedition to Egypt, Bonaparte struck out for Asia and its overland routes in order to deliver a blow against India, heart of Britain's nascent imperial power. Thenceforth India and the Mediterranean became indissoluble elements in British policy. Aboukir and Trafalgar destroyed the oriental dream of Napoleon. Charles X sought to revive France's Mediterranean policy by throwing the reconstituted forces of France against Algiers; but the July Revolution of 1830, undoubtedly fomented by the British opposition to Charles' adventure, complicated and prolonged the undertaking. The conflict between England and France for the Mediterranean, now open, now latent, endured down to the accords of 1899 and 1904. Even more overt and resolute was the struggle against the "Mediterraneanization" of Russia, with its double objective: Constantinople and the Straits. The acquisition of Byzantium would have perfected Russia's religious and ethnic system; while the possession of the Straits would have conferred upon her a direct outlet into the Mediterranean. To conjure, therefore, the Russian peril, England embarked on the Crimean War. The results, then, of this second period are: a new base of action at Malta, the closure of the

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Straits to the Russian navy, and the occupation of the Ionian Islands and their sudden cession to Greece as a propitiatory gift to the new Danish dynasty ensconced at Athens.

The third period, which lasted until the postwar settlement, was determined by the decay of Turkey and the opening of the Suez Canal. During these years England enlarged her colonial plans to include the entire sector of the Mediterranean-Black Sea-Indian Ocean, a sector which united Europe to India and the Orient.

Egypt was used by England as the vertex of her two great imperial lines: Cape-to-Cairo and Port Said-India-Malaya. The Mediterranean thus became the political and strategic nexus of the whole empire. Across the deserts and immense forests of the African continent British policy moved systematically from north to south and from south to north, utilizing the marvelous initiative, constancy, patience, and pertinacity of her best men. Territorial occupation followed upon geographical exploration. The stations set up by the traders along the coast of the Indian Ocean soon became the capitals of new colonies. The Sudanese and Boer campaigns consolidated the two ends of the Cape-to-Cairo route, while the connecting links were added after the war by the acquisition of mandates over the former German colonies.

In the actuation of this plan England for a moment collided with France, resurgent from her dark period of trial after 1871. The culmination of this rivalry came at Fashoda. Thereafter it subsided through the agreement to partition Africa peacefully between them: English predominance was recognized in the east, French in the west; England disinterested herself in Morocco, France held aloof in Egypt.

Thus came to pass the Entente which was to suffocate the incipient imperialism of Germany and its menace to the routes to the East. In the eastern Mediterranean, in order to ward off the danger of a Russian thrust to reach Alexandretta, England in 1878 possessed herself of the island of Cyprus. But Russia later dissipated her forces on the plains of Manchuria; and after the Bolshevik Revolution she entirely eliminated herself from the struggle for the Mediterranean. A much graver peril was the march of Germany towards Baghdad, which bade fair to nullify the value of England's positions on the Red Sea route. This danger the Great War removed. England resolved none the less to create for herself a land route from the Mediterranean to the

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Indian Ocean. The Treaty of Sèvres was to have guaranteed the fulfilment of this design. But even the most subtly calculated policy is subject to great errors; this was certainly the case when the custody of the Smyrna zone was very cunningly taken from Italy, to whom it had been promised in the Convention of St. Jean de Maurienne, and confided to the fictitious imperialism of the Greeks. The unexpected reaction of the Turks brusquely overturned this plan, neatly arranged in the protocols but not corresponding to the political and historical realities.

Yet England was not discouraged by this negative result. The very Treaty of Lausanne, which consecrated the new situation in the eastern Mediterranean, she used as the touchstone of well-meditated and efficacious action to be exercized over the Arab states under her mandate. To these states is assigned the duty of protecting the overland route from the Mediterranean to the Persian Gulf. The point of departure is Palestine, which offers itself as an eventual substitute for Egypt, either because the Canal can be defended as well from the east as the west, or, in case the canal is lost completely, because Akaba can replace Suez and Haifa can become both a naval base and the outlet for the oil of Mosul. The creation of a Jewish national home through the Zionist movement can be utilized to offset politically the Christian and Moslem groups in Palestine. The existence of the buffer-state of Transjordania serves above all to separate Palestine from the mass of the Arabs. In England's tortuous yet agile Arab policy Iraq undoubtedly represents her most successful creation, so successful, in fact, that she has considered it possible to confer on Iraq formal independence.

III

Thus we are at the fourth phase: the consolidation and preservation of the hegemony over the Mediterranean as the base for Britain's great imperial structure. London believes that among the possible factors which might upset the *pax britannica* in the Mediterranean three stand out: Egyptian nationalism, a strong Turkey, and the rise of Fascist Italy.

Effective domination over Egypt undoubtedly flatters the *amour propre* of the English, though it brings them vexations. But the real reasons for their continued stay in Egypt are two: to command the Suez Canal and to preserve access to the Sudan. However, as we have seen, the possession of Palestine can assure

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the safety of the Red Sea route. Furthermore, the bold creation of Port Sudan has rendered the Sudan virtually independent of Egypt. England can therefore suffer the loss of Egypt without great damage to her imperial interests in Africa and India. From all of which emerges the importance of the Red Sea as an indispensable complement of the Mediterranean — indeed, an integral prolongation of it.

Against Turkey, revivified under Kemal, England has placed the counterbalance of the Arab states; but in all this region British policy must operate with such elasticity that often it seems contradictory. Its foremost objectives are to prevent the Russo-Turkish understanding from becoming too close, and to give positive political meaning to the entente between Turkey, Iran, Iraq and Afghanistan. Particularly intense is English vigilance in defense of the clauses in the Treaty of Lausanne relative to the freedom of the Straits. The Ankara government complains about these continually. Perhaps it is not unwarranted to suppose that the very special sympathy with which London has followed recent events in Greece reflects a desire to see the latter return to an anti-Turkish policy.

But by far the most important of the factors that might trouble the English in the Mediterranean is the presence of Fascist Italy.

Everyone knows how England made use during and following the *Risorgimento* of the new stabilizing element which the creation of Italy brought into being. In the Mediterranean the British and Italians were long in accord with the Triple Alliance, the principal animus of which was anti-French and anti-Russian. In like manner, after the tragedy of Khartum, the English wanted Italy on the coast of the Red Sea to protect their flank during the reconquest of the Sudan. But today there is no French peril in the Mediterranean, much less a Russian or a German one. Consequently certain British political circles have come to the conclusion that the necessity of friendly collaboration with Italy no longer exists.

As long as Italy was weakened by the chronic crises of factionalism and morbid parliamentarism, her occupation of Lybia and the Ægean Islands and her consequent possession of the trans-Mediterranean lines Sicily-Tripoli and Dodecanese-Tobruk were not regarded as offering an immediate menace to the great imperial artery from Gibraltar to Port Said. In any event, England left no stone unturned to weaken our rights over the

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Ægean Islands and to make their definitive acquisition impossible. But now that Fascism has incalculably strengthened Italy's spiritual, political, and military efficiency, England judges the alteration in the traditional balance of Mediterranean forces to be harmful to her. And she has taken umbrage at Italy's activities, especially when there appeared a prospect of a general entente between Italy and France, bringing to an end the period of bitter attrition which has long separated the two Latin nations.

The attempt now being made by London to fabricate a new and wider system of bases and armed assistance from other Powers — using as pretext a hypothetical Italian attack on the English fleet — at least proves London's total indifference in the face of the agreements reached at Rome on January 7 of last year. She should have discerned therein the fundamental bulwark of European peace. But the truth is that England loves peace above everything else — but peace with a salting of discord. In the Mediterranean it has ever been her wish to preserve a moderate but irreducible amount of discord, which, without endangering peace, would foster her own predominance. The open opposition to our legitimate claims in Ethiopia is primarily the reflex of English Mediterranean preoccupations, aggravated by the Rome Agreements. We may say that on January 7 were sown the seeds that bore fruit on November 18. This opposition, as we have seen, manifested itself in recourse to the Covenant of the League and to all the possibilities of collective action provided for in that document. England desires from the League collective solidarity even in the Mediterranean, and at the same time a certain freedom of manœuvre for herself against particular Powers. The League, that is, must give her the desired support, but at the same time follow a procedural system which permits England to evade the fulfilment of specific obligations outside the Covenant, thus in reality assuring her own liberty of action. This may be described as the policy of the greatest good with the least risk; but for third parties it is a policy of suffocation, tending under a legal and impersonal (because collective) cloak to bar the road to every new force, which is condemned as troublesome merely for being new.

The Anglo-French proposals for the settlement of the Italo-Ethiopia conflict, if England's immediate repudiation of them is any indication, conformed to her customary attitude of suspicion

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and hostility more than she wished to admit. We were to have decided whether it was advisable for us to accept them as a basis of discussion. After reading the stenographic record of the speech made by Sir Samuel Hoare before the Commons on December 19, I have my doubts about them. Indeed, even after making allowance for the psychological influence of the occasion on the former Foreign Minister and on the Members of the House, the evidence which he cited to justify his proposals prove that it would have been absolutely impossible for Italy to obtain any better terms. As for the spirit of the proposals, at least on England's part we need only recall that Sir Samuel presented the so-called territorial exchanges (Assab and an accompanying "wide corridor" in return for a small strip of desertic Ogaden and a part of Tigré, excluding Axum) as primarily satisfaction for the aspirations of the Negus for an outlet to the sea.

Such an admission characterizes the serious historical error committed by England in granting preference not to a great European nation, the mother of civilization, but to a barbaric horde of blacks whose savage concept of war arouses the horror and contempt of anyone with a sense of human dignity. This preference has brought us Italians bitter sorrow, but a manly one. We have reacted from it with the will to avenge our noble fallen soldiers with final victory. The moral and material support which that British decision has brought to our enemies will cost the blood of many more of our soldiers than would otherwise have been necessary, the same blood that during the Great War we spilled as valued allies of the English. But above all it will signify irreparable loss to the authority of the white race; and a day in the not distant future may come when it will be more costly still to the nation which rules so many colored peoples.

The substance of the Anglo-French proposals constituted merely a basis for negotiation, the acceptance of which would have frustrated Italian rights recognized by England in the agreements of 1891 and 1894, and renewed in the conventions of 1906 and 1925. It would have frustrated the prodigious spirit of abnegation and discipline with which the heroic work of Il Duce and the action of the Fascist régime have infused the Italian people. Above all, it would have frustrated the ardor, the valor, the sacrifice of the soldiers and Black Shirts of Italy on the fields of Africa.

This crisis, which is certainly dangerous, though not through any fault of Italy, must be overcome. It will be overcome by the

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calm and resolute prosecution of the action undertaken. Every one must make up his mind that, alike in the Mediterranean and in East Africa, Italy is an irrepressible political reality. No one has the right to ask a nation of forty-four millions to renounce its future.

In any case, Italy's African aspirations are only marginal to Britain's imperial interests. On this point Il Duce has repeatedly issued declarations that leave no room for equivocation. Nor has Italy any reason for seeking to undermine the position of England, for that would displace the balance of power to our own disadvantage. We are, then, entitled to a better understanding of our course from other peoples. The problem of the Mediterranean and the related problem of East Africa involve nothing less than the question of our very independence. For a state, certainly a great state, cannot attain the conditions necessary for its independence without control of the maritime routes leading to it — unless, perchance, it happens to enjoy complete economic self-sufficiency. This clearly is not the case of Italy, poor in raw materials and surrounded by a closed sea. These facts are so well-known and so self-evident that we may legitimately expect others to come to appreciate our position more accurately.

Italy's loyal and positive collaboration in the cause of general peace, documented in a memorable series of international acts, is still precious, is still necessary for the universal ends of civilization. In the service of that civilization Italy can today place not only the force of her intelligence and her labor but her new political and military power.

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FRANCE DIVIDED

By Julien Benda

THE Ethiopian War has divided France into two camps, just as did the Dreyfus Affair in the nineties and just as a more recent crisis did in February 1934. Now, as then, the two positions have been taken up less with regard for material facts than predetermined principles. This is quite natural. In matters of principle the same men have opposed the same men since the world began.

I. THE ATTACK ON THE IDEA OF HUMAN EQUALITY

The separation of Frenchmen into two camps, now once again evidenced, is essentially the opposition of the old hierarchical concept of society against the idea of justice, or, more precisely, against the idea of human equality (which incidentally is misinterpreted in order to facilitate the task of destroying it).

The issue has been stated clearly enough by Baron Aloisi. "All discussion," the Italian representative said at a recent session of the League, "will be futile so long as it is based on the abstract principle which puts Ethiopia on the same footing as those civilized nations which make up the League. No member of this League would wish to see itself placed on the same level as a nation of slave owners." Here is the start of the misunderstanding between Geneva's partisans and adversaries. The latter pretend to believe that we who favor the League wish to place Italy and Ethiopia on the same plane in *all* respects and from *all* points of view. They accuse us of "a crude universalism" ("*un grossier universalisme*" is the term used in the so-called "Manifesto of the Sixty-Four Intellectuals"), of confusing the "superior" with the "inferior," the "civilized" with the "barbarian."

These who say this shut their eyes to the fact that only in one respect, only from one perfectly well-defined point of view, do we place nations on the same plane. We assert that every nation has the right not to be despoiled by a stronger nation. This right we believe belongs equally to all peoples; we think that here there is no superior and no inferior. From this point of view, we do not feel in the least insulted if a backward nation is placed in the same class as ourselves. No more do I as an individual feel humiliated by the fact that a poor and ignorant man has just as

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much right as I have not to be injured by the actions of some arbitrary authority. The attitude, which has existed since the days of the Stoics and early Christians, makes men respect their fellow men and demand that, however humble these be, they have the right, because they are men, not to be treated like animals.

The partisans of Italy do not accept this thesis. Their dogma, although they do not express it so clearly because clarity is something they must avoid, is as follows: "We do not admit that there is an equality of nations in so far as concerns the right to injure and the necessity of receiving injury. For we believe that culture, art, intellectual accomplishments and civilization confer upon the nations which possess them the right to exploit those which do not, just as we recognize the right of superior animals to devour the lower species."

The adherents of this doctrine are the same as those who in domestic matters refuse to admit that all citizens have the right to be respected as individuals. They contend that public order, which they associate with the authority of the upper classes, and which they in addition confuse with culture, is lost as soon as the little man is accorded the same right to live as the great one. This doctrine, we, as civilized men and as Frenchmen, reject.

The thesis that civilization confers the right to do violence to others was never advocated by a Voltaire or a Michelet or a Lamartine or a Renan or a Fustel de Coulanges, not even by the strict moralists of Louis XIV's time such as Bossuet or Bourdalone. Indeed, it was vigorously combated by Fustel de Coulanges in his letter to Mommsen reprinted in *Questions Contemporaines* — an interesting fact, because the man-eaters of the *Action Française* call themselves his disciples. The doctrine is of German invention. The strangeness of its adoption by French superpatriots is augmented when we recall that in 1870 the Germans annexed Alsace-Lorraine in its name. The Germans contended that they were in the right because Frenchmen were an inferior race whereas they were of the élite. It is, moreover, the thesis of "Mein Kampf," and by applying it Nazi Germany plans some day to exterminate the Latin world.[1]

[1] In a recent lecture tour in Belgium I encountered many Jews, especially in banking circles, who were fervent partisans of Italy and enemies of sanctions. They were convinced that they could disarm anti-Semitism, and particularly Nazi anti-Semitism, by associating themselves with the superior race and admitting the right of that race to do violence and gain domination. I tried to make them understand that Hitler considers it will be he, not they, who will decide whether Jews have the right of identifying themselves with a superior race, and that he will probably decide the question differently than they. My exhortation was of little avail.

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II. DEFINITIONS OF CIVILIZATION

The votaries of civilization incarnate in force should further consider whether even if it were true that civilization confers the right of doing violence, the thesis can be accepted as applicable in the present instance.

The Italy of Mussolini is not civilization. Civilization is represented by the Italy of other days, the little Italian republics of the Renaissance. The Italy of today is one immense camp, completely and exclusively military, tight shut against the penetration of all refinement, of all ideas of liberty, knowing only the upraised fist and the cult of the leader. I would compare this Fascist Italy, if I looked for a comparison in history, to the ancient Empire of the Mongols. This Italy is the antithesis of civilization. It is impudent of it to try to associate itself with the Italy of Petrarch and Leonardo da Vinci.

The word "civilization" is given some equivocal meanings.

There is the artistic civilization. Italy — the Italy of other days — created it. There is also the moral and political civilization. This is the civilization which teaches peoples to develop institutions, to observe laws, to require of their governments that they respect the dignity and liberty of the individual — in short, shows them how to be citizens of an organized state. This civilization was not Italy's gift to humanity. It comes from the Anglo-Saxon world. Important as is the first of these civilizations, the second is even more important. The Frenchmen who are suffering from pathological Anglophobia seem to have forgotten this fact. The truth is, of course, that they are the selfsame Frenchmen who have a horror of the Declaration of the Rights of Man and who live in hopes of a day when Frenchmen shall once again be, not citizens, but subjects of a king who disposes of their destinies without bothering to consult them.

III. MUSSOLINI'S PRESTIGE AMONGST FRENCH ANTI-PARLIAMENTARIANS

One of Mussolini's grand virtues in the eyes of the Frenchmen whom I am describing is his power to plunge his people into war on his own and unique responsibility. He does not trouble to ask their advice or consult their pseudo-representatives. They are dumb beasts; it is not for them to decide whether they will or will not be slaughtered. All our French anti-parliamentarians, espe-

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cially the Royalists, are violently pro-Mussolini. They are superpatriots. But it does not matter to them that the plans of this autocrat may have immediate or remote consequences which are dangerous for their own country. France can perish, it seems, provided democracy collapses first.

These enemies of sanctions against a Mussolini rampant on behalf of what he calls civilization use a second argument. You say you are pacifists, they cry out to us, yet you demand sanctions which entail the risk of war. This argument is about as valid as if one said to a policeman: "You are the guardian of the peace — *of the peace!* — yet you assume to correct this wrongdoer. Don't you see that he may strike back, thereby forcing you to subdue him at the cost of breaking the peace?" The idea of the maintenance of order, whether between states or within a state, is clearly compatible with the possibility that there may be "broken heads." Incidentally, when the maintenance of order meant the massacre of workers in June 1848, or the repression of the Commune in March 1871, our adversaries found it very easy to choose that heads of others should be broken. But when it means, as during the riots in February 1934, that their own heads will be broken, then they become indignant.

It hardly seems necessary to point out that if sanctions today entail the risk of war it is because they were not applied as was intended against the aggressor. If at his first act of violence Mussolini had seen mobilized against him, instantly and automatically, the French army, the British navy, the strength of Russia — or even the threat of the imminent use of these and the other instruments on which the League ought to have been able to rely — he would have capitulated in twelve hours. We should not have had to weep the death of a single Frenchman.

But real and deep and overwhelming opposition to an aggressor is exactly what some of the Frenchmen whom I am criticizing do not wish. It would mean the discouragement of all future aggressors and the suppression of the possibility of war. Let me explain why one section of France — we might almost identify it with the French bourgeoisie — does not want this.

IV. THE FRENCH BOURGEOISIE AND THE PROBLEM OF PEACE

The French bourgeoisie are by no means fond of war in the concrete. They have no special aptitude for heroism, they do not wish to have their sons killed or their taxes increased fivefold.

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But they do like there to be a possibility of war. More exactly, they desire that the people as a whole believe in such a possibility, and they will resist everyone who tries to dissipate the idea of its existence. They want the spectre of war — a war, some war — always to hover over the nation.

The reason is not far to seek. The menace of war arouses and maintains in a nation a kind of permanent military spirit. It creates a predisposition on the part of the populace to consent to a hierarchical arrangement of society, to accept a leader, to recognize a superior. In short, it creates those class tendencies which the bourgeoisie consider to be in their own interest. If it is vital that the people have an object of fear, and if they no longer fear God, then they must fear the possibility of war. Beyond that nicely-fixed point the bourgeoisie do not intend to go; they desire at all costs to avoid war itself, for war now makes far too many demands not only on the lower classes but on the well-to-do also. But up to the point where war itself threatens, the bourgeoisie like to go and do go.

Illustrating how the bellicose spirit of the bourgeois classes is essentially a means for them to maintain authority is the fact that it appears at exactly those moments of history when their authority seems to be menaced. During the Restoration and the July Monarchy the bourgeoisie abhorred war; they would not even talk of it. Chateaubriand had infinite difficulty in getting them to accept the war with Spain in 1823. During all the Second Empire they strenuously opposed the laws increasing the army. Their opposition provoked the indignant remark of Napoleon III: "We are shackled to this unheroic conservative party which detests the Revolution and wishes peace at any price." But beginning in 1875 the ideas of the bourgeoisie changed. They began to attack French statesmen for not preparing for "revenge." What had happened? The German Empire had of course grown tremendously. But the real reason was that the classes interested in maintaining the hierarchical concept of society felt that the way to do so was to exalt the army. So they constantly held up the spectre of war, for war is an army's *raison d'être*.

Through these changes in attitude the bourgeois classes remained faithful to their own interests. In the nineteenth century nationalism was a manifestation of the will of peoples for emancipation. The exceptions were France and England, where unity had been achieved much earlier. The revolutions in nineteenth

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century Europe were national revolutions. They were insurrections by the masses against their masters, with the purpose of forming nations and achieving greatness. It was natural that the classes which had drawn from the revolution movement of 1789 all that they desired should fight nationalism. In 1860 the French bourgeoisie was hostile to the idea of Italian unity, not only because it meant danger for France, but because it represented the desire of a people for liberation. Pope Pius IX having refused to recognize the Kingdom of Italy, the creation of the Italian Revolution, General Lamoricière, commander of the Papal troops, announced: "Wherever the Revolution shows the tip of its ear or its nose, it must be stamped on like a mad dog." On the other hand, in the twentieth century the desire of the lower classes to emancipate themselves found expression, among certain peoples at least, by a weakening of the idea of nationalism and a tendency towards internationalism. Consequently nationalism is now being praised by the well-to-do. In both cases these latter defend themselves, as is their law, against the idea of the enfranchisement of the masses. Only the means has changed; the end is the same. "This is the time for obedience," they say, "not the time for social reforms."

The idea of peace meets still another enemy bred up by the love of "order," namely a certain kind of Catholicism. The thunders of de Maistre to the effect that war is a blessing of God and hence that the quest for peace is sacrilegious would never have been heard from Bossuet or Fénelon. The development of this attitude coincided with the advent of democracy, that is to say with the pretension of people to be happy, a pretension which de Maistre clearly saw would lead to insubordination. His view is closely related to that of the bourgeois statesman Thiers in the Second Empire. Defending the Falloux law in 1851, Thiers declared that the clergy should be given control over education because they propagate "the wise philosophy which teaches that man's life on this earth is one of suffering." The view of de Maistre is also closely related to that of Pope Pius X, who in 1910 chided the Christian Democrats for having forgotten that the purpose of the Church is to exalt those who fulfil their duty on this earth "with humility and with Christian patience."[2] Misery, said Napoleon, is the school of the good soldier. Apparently it is the school of the good Christian as well.

Let us recall the words of Saint-Just: "Happiness is a new

[2] Condemnation of Sillon by Pius X, August 25, 1910.

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idea." The belief in the possibility of peace is one form of this new idea; and people who wish to keep the masses in servitude intend that these shall not adopt it. They hope for a day when the League of Nations will be no more and the masses everywhere will settle back into acceptance of the eternal verity that theirs is a life of servitude. Perhaps the real enemies of peace are neither the military nor the munitions manufacturers, but the masters of everyday life — and their wives — who expect to be served.

V. SOME OTHER ARGUMENTS OF THE ANTI-SANCTIONISTS

I should like to underline a few other arguments of the French friends of Fascist Italy. Some are particularly interesting because they exactly repeat those which we heard during the Dreyfus Affair.

"We are not going to war," the anti-sanctionists tell us, "for the sake of slave merchants." Forty years ago they said: "We are not going to set France aflame for the sake of a little Jewish Captain." In both instances the same bad faith is shown by the refusal to recognize that what is in question is not merely the fate of these particular slave merchants or of this particular Jewish Captain but of the abstract cause which they represent.

Again, these people say: "We don't see why people are bothering to try to stop Italy from doing what many others have done earlier." Forty years ago they said: "Don't get excited about the Dreyfus Affair; there have been many judicial errors which have never been rectified." The philosophy is the same: because there has been injustice in the past, injustice can continue.

Some of them say, like M. de Kerillis in the *Echo de Paris:* "We are nationalists, that is to say, we try to understand things as they affect France." In 1898, Barrès remarked apropos of the Dreyfus Affair that all questions should be settled in their relation to France. The moral is the same: we do not accept a universal ethic or an eternal justice as valid at all times and for all men. Which is exactly what the Germans said in 1914 when they violated the neutrality of Belgium.

Sentiment is also invoked by the anti-sanctionists. It beclouds any issue and hence never fails to be called into play by those who are trying to evade the dictates of justice. "We French," they exclaim, "will never go back on our former allies, our brave comrades of the fighting line." In the Dreyfus Affair the argument was: "We will not tolerate any attacks on our generals, on these brave men with hearts of gold, on the fathers of the regiment. . ."

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These sentimental arguments sometimes take a curious form. Thus one of our former cabinet ministers, M. de Chappedelaine, sighed that in humiliating Italy we were paining the Italian immigrants settled in France. Has anyone noted that France orders her negotiations with Germany so as not to sadden the émigrés of the Hitler régime? The National Union of War Veterans goes even further: "The wartime generation will never admit that they should take up arms against those who, British or Italian, have fought beside them on the soil of France!" That is to say, we are attached forever to our old allies whatever they do. If some day the Italians should invade Savoy, or the British threaten Calais, patriots cannot admit that they ought to defend France against them, for once they fought by their side.

Again, Frenchmen who above all want not to upset their daily life, and so become partisans of peace at any price, have raised again the famous cry of Gambetta and the fathers of the Republic: "Clericalism is the enemy!" In this case the clericals are those who are capable of becoming so imbued with an idea that rather than see it perish they will even consent to go to war.

From this point of view I am willing to be a clerical. But so is Maurras a clerical, and so are the other votaries of the policy I have been attacking, for they too are perfectly willing to risk war for an idea. Only their idea is a different one. These pseudo-pacifists would gladly accept a general crusade against communism for the glory of their social ideal. What they condemn today is by no means the idea of war; it is war against Mussolini which they cannot bear to think of. And why do they condemn it? Because Mussolini is the symbol of authority. What they consider to be the interests of their society demand that at no price must authority be humiliated, no matter what crime it commits. Forty years ago, in the same interests and for the same reason, the high military command was not to be challenged, whatever the cost. Again the anti-Dreyfusards are at their post, with exactly the ideas. They are imposed on them by their social philosophy, and always will be.

VI. PEACE, AS WELL AS WAR, CAN RUIN CIVILIZATION

"We will never risk a European war, for whatever cause, because it would be the end of civilization." This argument against participating in a program to enforce peace merits particular attention because often it is formulated by men who are very well

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meaning. I reply that if it is true that civilization can perish by war, it also is true that it can perish by peace, if that peace is maintained at the price of granting immunity to those who resort to violence. Such immunity from punishment would give an immense impetus to fascist ideas, that is to say, to the ideas which are in themselves and by their own definition the negation of civilization. Civilization would perish in this way even more certainly than by war. For in war civilization would at least have the chance of defending itself, perhaps successfully.

I invite people whose minds are not closed to contemplate the following truth, however upsetting it may be: The idea of peace and the idea of civilization, though generally considered to be the same thing, do not *necessarily* go together. We must first determine what sort of peace is at stake.

VII. "LES DEUX FRANCES"

I have been describing that part of French opinion which is favorable to Mussolini and hostile to action against him as an aggressor. I need not say that there is another France. It is the France of the Revolution of 1789, the France of Voltaire, Diderot, Renan, the France which rose up against the feudal classes at the time of the Estates General, at the time of Boulangism, at the time of the Dreyfus Affair. This France has always emerged triumphant because at bottom it has the nation on its side. The foreigner often forgets that the French nation is not Paris of the salons and the Academicians. This France, the France of the Revolution, will win again. Indeed, its first success has already been won — the overthrow of the Laval Cabinet.

This is not to say that the rule of justice amongst peoples is at once going to prevail, replacing as if by the wave of a magic wand the rule of arbitrary and reckless authority. Governments, even those with the best intentions, will retain for a long time to come the direction given to them by the exaltation of sacred egoism. But the blows of the pickax are striking home. We can state with new confidence that the Declaration of the Rights of Man will some day succeed the declaration of the rights of nations. In this work of human liberation the France of Voltaire will take part. It will have the encouragement of all sincere and thoughtful people throughout the world, and particularly (as I have found out in recent weeks) by the opinion of the nation to which belong most of the readers that I have been addressing in these pages.

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CULTURE UNDER THE NAZIS

By Dorothy Thompson

At the time the National Socialists were fighting their life-or-death battle the first impulse was given for the reawakening and restoration of artistic vitality in Germany. . . . In the midst of everything we found time to lay the foundations for a new Temple of Art. . . . For though there were many grounds on which we might have proceeded against the elements of destruction which had been at work in our cultural life, we did not wish to waste our time calling them to account. . . . I need not speak of the Bolshevizing Jewish litterateurs who found in such "cultural activity" a practical and effective means of fostering a spirit of insecurity and instability among the populations of civilized nations. But their existence strengthened our determination to make assured provision for the healthy development of cultural activities in the new state. . . . We resolved that on no account would we allow the dadist or futurist or intimist or objectivist babblers to take part in this new cultural movement. . . . Our task is not merely to neutralize the effects of the unfortunate period which is now past, but also to fix the main outlines of those cultural futures which will be developed during the centuries to come in this first national state which is really German.

IN this speech before the seventh National Socialist Congress, at Nuremberg, in September 1935, Hitler laid down, however vaguely, the main tenets of the Nazi attitude toward culture. It is an affirmative attitude. But it breaks decisively with Germany's pre-Nazi past and scorns any argument about it. It hopes to *re*awaken and to *re*store. The cultural future is to be *national* and *German*. It is the business of the state to foster such artistic production as will demonstrate native cultural resources. It is the business of culture to aid in impressing on the public mind the aims of the National Socialist movement. Just how much of the past Hitler hopes to cut out of German culture, history and consciousness is not apparent. He will drive out the "elements of destruction" and "fix the main outline of cultural futures."

Not even the negative aspects of the cultural change are quite clear. Obviously there is a ban on all books of a socialist or communist propaganda nature, all plays such as those of Ernst Toller and Bert Brecht. But the ban is more widely interpreted to apply to the discouragement of all literature which tends to take a universal as opposed to a strictly national outlook on life, bolshevism being associated in the Nazi mind with all internationalism, and

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regarded as the inevitable and logical *dénouement* of economic and political liberalism. Nazism is avowedly not only anti-communist but anti-liberal, and the bourgeois epoch of the nineteenth century is regarded as but one station along the road to bolshevism. The conception of individual freedom as it has existed since the eighteenth century is, to the Nazi mind, only another manifestation of the doctrine of liberty and equality, of man as the atom of society, bolshevism being merely the final collectivism of such atoms. Under this interpretation, all art and culture since the eighteenth century is obviously suspect.

The same idea is taken up by another official Nazi spokesman, Walter Frank, in an address at the opening of the National Institute for the History of the New Germany:

> The academicians [of the previous epoch] were themselves bound in chains and within fixed frontiers of which they themselves were not aware. It was the period of the post-Bismarckian epigones. And what they considered historical objectivity was nothing but the reflection of the bourgeois secular spirit in which they, as subjects conditioned by their times, grew up. . . . In so far as these academicians considered that science was only a function of the intellect, in so far as they believed that they could shut out Will, Faith, and Passion . . . they made the most dangerous compromise against understanding.

In this statement Frank adds all of what is elsewhere in the world called "pure" science to the list of Nazi cultural anathemas. Pure science, like abstract art, is regarded as a manifestation of the liberal era; a form of destructive rationalism expressed in the ideas of the French Revolution, a manifestation of the rationalistic conception of life against which National Socialism is avowedly a revolt. When Hitler says that he wishes to "reawaken and restore" spiritual values, he apparently wishes to reincarnate the values which existed in some previous epoch when men's minds were dominated by Faith and Will. Certainly the slow development from what one writer calls "the peoples' springtime of the High Middle Ages, which like the childhood of man was dominated by the supernatural" into the era of individuality and rationalism, was a revolutionary act. And the anti-liberal National Socialists regard the whole development as having followed a false path, and this despite the fact that nationalism was itself a by-product. Just when the German people started on the false road is debated. The Catholic world, also in permanent revolt against rationalism, believes that

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the false path began with Martin Luther. The anti-liberal part of the Protestant world believes that it began with the ideas culminating in the French Revolution.

This determination to break with the rationalist past and to regard the whole of its science and art as conditioned by an outlived *Zeitgeist*, is accompanied by the theory that National Socialism is itself the creation of a new *Zeitgeist*, and by the hope that the new epoch upon which Germany has entered will spontaneously create a representative culture. Thus Alfred Rosenberg, once described by Hitler as "the only mind in the party for whom I have respect," and today officially charged with the broad direction of Nazi culture, writes in the *Voelkische Beobachter:*

> Every great culture is identified with some philosophy that gives man the power to mould the world, which means to create culture. . . . All political formations express a new life-feeling and come to an end only when the life-feeling no longer serves the general good of the people or the group. Thus every great period and every great national conception take their departure from the same source that gives rise to cultural creations. National Socialism therefore regards the unity of culture and the state as being based on and directed by a definite attitude toward life.

But it is precisely the National Socialist attitude toward life which is most nebulous wherever it is not already rigidly fixed in dogma. And Rosenberg is himself not too enthusiastic about the results thus far. Thus in the same article he writes: "At present all that we can say is that the scientific field is beginning to yield results. Discovery, *in the National Socialist sense*, goes forward. New problems are arising and a younger generation takes cognizance of the great task that confronts it. The whole enormous field of racial science and the doctrines of eugenics, the whole field of spiritual science and history, await the attention of many scholars who can arise only from the younger generation."

The important words in this passage are "in the National Socialist sense." For all those whose habits of scientific thought are rooted in the way of thinking which in Germany officially belongs to the past, but which still belongs to the present in the rest of the western world, the phrase is fantastic. Nor do many German scientists understand it. When I was last in Germany a great cancer specialist said to me: "I am supposed to treat cancer in a National Socialist manner but do not know what that means unless it means that I am to attempt to cure it in Aryans and let

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it do its worst to Jews." In "the enormous field of racial science and eugenics" which Mr. Rosenberg suggests as a field for *research* for the younger generation, *discovery* must be confined to what will support an already established dogma, for racial doctrines are as fixed in Nazi Germany as the verities of the Communist Manifesto are in Russia. The dogma includes the idea of eugenic defilement by the mixture of German with Jewish blood; of the superiority of the Nordic type, dolichocephalic, fair haired and blue eyed, to all other types; of the transmission of mental, social, and spiritual characteristics through the chromosomes; of mind-forms as a by-product of biological forces.

The dogma is translated into law, and marriages or intimate relations between Jews and non-Jews are forbidden and penalized. Certain categories of citizens reserved for an élite (the members of the Prætorian Guards, for instance) may not marry without eugenic examinations. And Berlin doctors regularly test school children, making "scientific" measurements of pronounced "Aryan" types, whose mothers are then subsidized to procreate further children by the same father. Scientific research into this field must indeed be carried on with "Will, Faith, and Passion" rather than with the enquiring mind, for the state will allow the enquiry to come to only one conclusion. And Rosenberg admits that there is rebellion in the scientific world. "After a period of apparent levelling," he says, "certain scientific groups have reverted to their liberalistic past, so much so that they are trying to undermine National Socialist ideology by what appear to be scientific means since they can no longer alter it by political means." He reports that in the general field of cultural politics and art "a marked condition of uncertainty still prevails. Groups of artists who are trying to express the spirit of our time have emerged in every sphere. Others, however, have given the same clear proof of their rejection of our *doctrine* that we have seen in the sphere of science, and thus the lines are more tightly drawn."

This passage is especially significant because it indicates that the "spirit of the time" has already become formalized into a doctrine and a ritual. The *Zeitgeist*, the "life feeling" of which National Socialism is on the one hand held to be a manifestation, is to be given no further opportunity to express itself spontaneously. There is clearly an admission of fear that the élan of the liberated German soul had insufficient vitality of itself to overcome the spiritual remains of the conquered epoch. There is no

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genuine faith in National Socialist circles, apparently, that the German spirit if left alone will give artistic form to National Socialist doctrine. No sooner has "the impulse been given for the reawakening and restoration of artistic vitality," to quote Hitler again, than the impulse itself is put into uniform and carefully regimented and controlled, lest it should desert the new track. The *Zeitgeist* is simply not functioning as the Nazis think it should, and so an immense apparatus is set up to push, coerce, lure, cajole, and bribe it into the correct paths.

This apparatus is in the hands of Dr. Joseph Goebbels, Chief of the Federal Bureau of Propaganda and Enlightenment, and Dictator of German Culture. The movement which rests its case on its claim to issue from the wellspring of the folk soul apparently believes that the effort of revolution has exhausted the waters. Dr. Goebbels is to prime the pump and shut away the people from other wells. The Folk Soul having reached its apotheosis in National Socialism, it will now be the function of National Socialism to embalm it forever in dogma. Religion has done its work. It is now time to establish the Church.

The work of establishment is undertaken with all the precision, thoroughness, and careful organization of the Prussian Army. Instead of creating a new culture, one is to be organized. Who may and who may not write, model, compose, play, sing, act, produce, paint, is defined in a set of decrees having the full force of law and carrying penalties for their violation. What shall be written, sculptured, built, composed, played, acted, and painted, is controlled by an army of bureaucrats and spies. Dr. Goebbels' bureau is a cultural inquisition, its word is final, its force unchallenged. Its competency is established in Decrees XXX to XXXIII of the Third Reich.

Decree XXX establishes a Ministry "for purposes of enlightenment and propaganda among the people concerning the policy of the National Cabinet and the National Reconstruction of the Fatherland." The individual duties of the Minister of Public Enlightenment and Propaganda are determined by the Chancellor. "The Chancellor also determines . . . the duties to be transferred . . . to the new ministry."

The next decree transfers to Dr. Goebbels, with modifications and amplifications, powers formerly lodged in the Ministries of Foreign Affairs, Interior, Commerce, Agriculture, Posts and Communications. It declares that "the Minister for Propaganda

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is competent to deal with all measures for mental influence upon the nation, the publicity for state, culture, and business, the instruction of the public within and outside the nation concerning the above, and the administration of all devices that serve these purposes." It puts under his jurisdiction, from other ministries, the following: "Intelligence reports and publicity in foreign countries, art, art exhibits, film and sport affairs in foreign countries, explanation of general domestic policies, the University for Political Science, establishment and celebration of national holidays, the press and the Institute for Journalism, radio, national anthem, the German Library in Leipzig, all art (except German institutes abroad covered by special treaties, protection and care of national monuments and art treasures, and the Association of German Societies for Folk-lore), music cultivation, including philharmonic orchestras, theatrical affairs, business publicity, travel publicity, everything concerning radio except such things as pertain to technical administration and in these the Minister of Propaganda may interfere in so far as it is necessary to determine loans to radio plants and the regulation of their dues."

These vast powers, which cover the whole field of the spoken and written word, as well as pictorial, theatrical, and musical creation and presentation, are not merely executive. They are legislative and judicial as well. The last sentence of the decree says: "In the designated fields the Minister is in charge of all matters, including legislation."

The next decrees relating to cultural matters represent the legislation made under the foregoing powers. They establish a Chamber of Culture, with subsidiary chambers for writers, press, radio, theater, music, painting, sculpture, and films, and provide for their coördination. All cultural creation in Germany is made a monopoly of members of these bodies.

The Press Law is an amazing document. It brings within its competency every conceivable kind of printed or multigraphed publication. It establishes a guild of writers, which includes every person who contributes in any way to any printed or multigraphed publication, and admits to this guild only German citizens of Aryan descent who are not married to non-Aryans, who are 21 years old, are competent, have had professional training, and "have the qualifications for influencing public opinion intellectually." Admission to this guild is by petition, but regis-

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tration may be denied "if the Minister for Propaganda and Enlightenment objects." The writers who pass through the filter are next compelled by decree to withhold from publication everything which "confuses selfish with common interest, is able to weaken the strength of the German nation, the will toward national unity, national defense, culture, or business; is offensive to the honor and dignity of a German; illegally injures another's reputation; is indecent." The variety of possible interpretations allows this law to cover anything that the Press Dictator wishes it to.

Once admitted to the guild, a writer automatically becomes a member of the National Association of the German Press. Its director is appointed by the Minister of Propaganda. The dues are set by the Minister (or must have his approval) and are collected as part of the public taxes. He also supervises its discharge of its obligations. It is not in the most remote sense a free professional body. Disputes between writers and publishers are tried before vocational courts appointed by the Minister. Anyone who is not a member of the Association and publishes anything at all may be punished with a year's imprisonment. Any publisher who employs a non-guild member may be punished by fine and imprisonment.

The Press Law sets the standard for the decrees, subsequently adopted, which govern the other professions. Decrees XXXIV and XXXV establish a national Ministry for Science, Education and Public Instruction. They hand over to Hitler full powers to determine the scope and function of this Ministry, and specifically put under it all scientific matters, including relations with foreign countries, the various scientific institutes, and all public, private, and professional schools. They hand over to the Minister, responsible only to Hitler, full *legislative* powers in all educational matters.

The control of every conceivable branch of German culture is complete. It begins, not by censoring what actually appears, but by determining who shall be the creators and transmitters of culture. No publication, no concert platform, no publishing house, no theater, no gallery, is open to any writer, artist, or musician, who has not first of all run the gauntlet of the Propaganda Ministry. One may not exhibit a picture, or present a play, or perform on the piano, or write in the papers and magazines, unless one is a member of the established "chamber." One

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cannot get into the chamber if one is suspected of being a heretic. And the very first test is a blood test — one must be able to prove a blood stream uncontaminated by non-Aryan admixture.

Now the first result of this, of course, is that a man's degree of mendacity decides whether he lives or dies, produces or starves. In the main, the newspapers and periodicals today are still written by the same men who wrote them prior to March 1933. In the main, the same artists are painting pictures, composing music, playing violins, and designing stage settings. Yet in 1932 the National Socialist "ideology" no more dominated the German press, theater, or symphonies than the ideology of Huey Long dominated American cultural activities in 1935. A vast insincerity, then, lies over the whole of German culture. A shamefaced compromise, an agonized inner cleavage rends the German artist. Day by day he is forced to ask himself: "Shall I compromise or shall I perish?" This, rather than the enforced emigration of those artists who either could not or would not compromise, is the greatest tragedy of German culture. For those who have gone abroad there has been no drastic break with the continuity of the stream of German thought. They are exiled and cut off; yet all of them have survived, in their intellectual and spiritual lives, the terrific earthquake of the National Socialist experience. None is quite the same today as he was yesterday. But none has been forced to deny his own past, and none has been forced to compromise his own spiritual future. It is even possible that this new diaspora may be the savior of German culture, indeed may keep alive the very spirit which aborted in the revolution. In Switzerland and Holland, in France and in England, in America, Austria and Czechoslovakia, Germans are playing and composing German music, writing German poetry and novels, adding to the structure of German science, not unmoved by the National Socialist revolution, not unchanged in their sense of values because of it, but free of its strangling shackles.

Of course the flight abroad of German artists, writers and scientists has been prodigious. The roster of their names reads like pages torn from a German "Who's Who." Most of them, to be sure, are not classed as Germans in the Third Reich, because they have non-Aryan blood in their veins. But they have German science, German tradition, German history, and a German experience in their hearts and heads.

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In physics three names stand out high above all others in the contemporary German-speaking world — all of them Nobel prize winners — Albert Einstein, James Franck (who received the prize for research into atomic theory) and Max Planck, of the quantum theory. The first two, being non-Aryan, have left German universities. Dr. Gustav Hertz, famous for his discoveries in classifying types of human blood (valueless to the Nazis, who have their own *a priori* theories); Dr. Otto Meyerhof, distinguished for research into the transformation of energy in muscles; and Dr. Fritz Haber, who together with Professor Bosch perfected the process of synthesizing ammonia and thus became the parent of chemical gas warfare and the benefactor of all of German agriculture, are also victims of the Aryan paragraph. Dr. Haber died shortly after his emigration. By April 8, 1934, some 800 college teachers and university professors had left German universities because of their Jewish blood, among them many distinguished names.[1]

Scores of actors whom the German folk soul thought it idolized before the enforced awakening have been forced to leave the German stage, among them the adored Fritzie Massary, now in retirement; the inimitable Pallenberg, afterward killed in an airplane accident; Elisabeth Bergner; Ernst Deutsch; Lucie Mannheim; Lotte Schoene, who is one of the most delightful Mozart opera singers; and the most famous Shakespearean actor, Alexander Moissi. The purge of non-Aryan Germans includes the dean of German painters, Max Liebermann, co-founder with Corinth (who himself had a Jewish wife) of the Berlin *Secession*, which gave a new impetus to German art in the last century. The *Secession* has now shut out of its galleries all "non-Aryan" painters, with the protest of only two "pure-blooded" Germans, the woman painter Annot, and her husband, Rudolf Jacobi. They are now in America, as is George Grosz, one of the finest living draughtsmen. Pictures by Oskar Kokoschka and Karl Hofer have been removed from museums. Both men were considered under the Republic to be ornaments of German culture. Perhaps the most beloved woman artist in Germany, the elderly and saintly Käte Kollwitz, famous for her etchings of German proletarian life, has been persecuted to the brink of the grave.

Two internationally famous German conductors, Bruno

[1] London *Times*, April 18, 1934.

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Walter and Otto Klemperer (the latter a German Jew and ardent Roman Catholic) were forced to lay down their batons. With the exception of Richard Strauss, hardly a composer of international reputation remains to work in Germany. The case of Strauss is particularly curious, for he is a demonstration of the sort of happy German-Jewish collaboration which has occurred so often in German history. Nearly all the librettos of Strauss's operas were written by the Austrian poet Hugo von Hofmannsthal, a non-Aryan. Gustav Mahler, a Jew, composed music to that most German of literature, the "Knaben Wunderhorn;" Arnold Schönberg, a Jew, immortalized the Danish folk "Gurre Lieder" and Dehmel's "Verklaerte Nacht;" the pureblooded German composer Schumann wrote his loveliest *lieder* to the lyrics of the German-Jew, Heinrich Heine. Today these lovely collaborations are, because of the blood of one of the authors, not "German," not "folkish;" and are anathema. The same rule would make Browning un-English. And Dr. Goebbels has commissioned an unimportant composer to write new "Nazi" music to supplant Mendelssohn's score for Shakespeare's "Midsummer Night's Dream."

Put out of German music are Schönberg, Toch, Krenek, Kurt Weill and Alban Berg, leaving a musical wilderness. The gifted composer Hindemith, who does not come under the non-Aryan ban, remains; but he has been continually threatened with boycott due to his unwillingness to snub and help ruin fellow artists. The beautiful Guarneri quartette, which delighted Ferruccio Busoni in the last days of his life, is broken up and scattered. The long arm of Nazi control reaches outside German boundaries. The German conductor Furtwängler, conducting the Budapest Philharmonic during this past winter, was forced to delete from his program a Mendelssohn number, by "unofficial" intervention of the German legation with the Hungarian government.

Before the National Socialists came to power in the Reich, measures had already been taken against modern architects and artists in those provinces under Nazi domination. In Dessau, the famous "Bauhaus" (headed by the purely Aryan and Nordic architect Herr Gropius) had to close because of the opposition of the provincial government to the "cultural bolshevistic" tendencies of this institution, which sought to unite creative art with the machine age. Flat roofs being regarded as "Jewish-Oriental" and hence culturally taboo, the architects who created

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much of the modern housing of the Weimar Republic were blacklisted.

Writers have suffered equally. Amongst the emigrés from the Nazi régime, forced or voluntary, are Thomas and Heinrich Mann, and Klaus, the son of Thomas. This very German family of poets originated in the very northern city of Lübeck. The mother of the Mann brothers was, however, a French Creole from South America, which of itself would make them suspect. The list of writers who could not live and produce in Germany includes Arnold Zweig, author of the trilogy including "The Case of Sergeant Grischa," anathema because of its anti-war implications; Stefan Zweig, who lives in Austria; Alfred Döblin, Berlin neurologist and author of many novels and historical works; Josef Roth; Ernst Glaeser; Jacob Wassermann, who wrote "My Life as German and Jew" and broke his heart over the loss of his German Fatherland; Erich Maria Remarque, author of "All Quiet on the Western Front;" René Schickele; Annette Kolb; and numerous writers internationally less well known. Not all of these artists are Jewish, and vast differences in ideas separate those that are. What unites the Jewish writer Lion Feuchtwanger, satiric, keen, malicious, with the Jewish writer Jacob Wassermann, a mystic, and in the truest sense of the word a Christian? Nothing except their common German heritage and tongue. Thomas Mann is a conservative; his brother is Heinrich a political radical. Erich Remarque is a Nordic blond, remote from politics, for whom, as for Hitler, the war was the greatest experience of his life. He recorded it in a book that swept the world, but which was not in harmony with the new German heroic conception of life. Josef Roth is a bohemian, author of one of the most exquisite studies of Ghetto Jewry ("Hiob") and other sensitive and lovely novels. Arnold Zweig is tender; Döblin is harsh. These writers represent a cross-section of the thought and feeling of the times in which they lived, as many-faceted as those times have been. Some of them are still published in Germany; more of them are still allowed to be read; others are completely blacklisted. But all of them may at any moment be blacklisted for reasons which have nothing to do with their artistic creations. The announcement last year that some of them (the Mann brothers, Schickele, Döblin, and others) might contribute to an émigré publication printed in Amsterdam was immediately followed by the threat that unless they withdrew

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from the enterprise their entire works would be permanently suppressed in their native land.

The withdrawal of these writers, scientists, artists, composers, architects, actors and musical performers naturally leaves an immense gap in German cultural life. But more important than their personal absence is the cultural atmosphere which has settled upon the land. A peace pervades it, like the peace of death. The pre-revolutionary years were years of intense, almost feverish, cerebral activity. The very polarities in society created a tension, an electric energy, which burst forth in the most manifold artistic forms, some tawdry, some exaggerated, some noble and lofty. All of western literature was translated and read; the most divergent viewpoints and experiences found form and expression. The struggle to create a new social order was paralleled in the struggle for new artistic forms. It was a period of conflict, and this was reflected for better or worse in art. Now the conflict is stilled; indeed, say the Nazis, permanently settled. The "alien and disruptive" spirits have departed. The coarse night clubs, the extravagant theaters which subjected content to effect, are closed. Germany, they assert, has returned to her essential spirit, and found for it a fitting habitation. Now the soul is at peace; now true Art can emerge, in what Rosenberg calls "the smooth monumental style of the National Socialist Way of Life."

But it does not emerge! The artists are assembled, each in his proper compartment, each properly certified as to ancestry and breeding, competency and ideology, each holding from the proper authority his license to create. No Jewish taint corrupts them; no breath of non-Germanic internationalism, of bourgeois secularity, of Catholic obscurantism perverts them. The green-uniformed hordes of the Work Army are ordered: "Dig! Plant! Build!" And they dig, and plant, and build. The Brown-uniformed hordes of the Storm Troopers are ordered: "March! Present arms! Collect the winter-aid fund!" And they march, present arms, and collect. And in the same manner the state says to the artists, so perfectly organized, so immaculately regimented: "Create!"

But when God in the form of Dr. Goebbels says, "Let there be Light!" there is no light.

It appears that the creative process is something quite different. The Spirit of the Times is elusive. Yesterday, in the midst of chaos, one caught a glimpse of her garment. But today she is

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ordered to appear; her devotees are assembled; and she doesn't show up. In her place comes a marionette. It is properly labelled "Spirit of the Times" or "Life Feeling." The face is her face, but the voice is the voice of Dr. Goebbels. She describes herself clearly as being German, national, of the folk, born of German blood and bred in German soil, with the whisper of the German forest in her voice, her blue eyes full of the wonder of German nature and poetry, her heart warm with love for the manly, the virtuous, the heroic. But the artists commanded to create in her image find themselves impotent.

This is not to say that words, plays, pictures, and sculptures are not being produced in Germany today. They are. But they neither speak a language intelligible to the rest of the western world, nor do they passionately incarnate a new German spirit. For the most part they are hack stuff, as made to order as a Hearst editorial on communism.

The dramatic critic of the London *Times* visiting Germany with a sympathetic attitude, begs for a patient investigation into German ideas, the more necessary because the German world has accepted values fundamentally different from our own. "Not to understand the German world outlook is to miss the underlying motive of those who seek now, in the theater, and in every department of life, to give new significance to the word *Kultur*." He goes on to say that the guiding truths are beginning to appear in the theater, but adds: "The new movement is so new that its constructive elements are improvised from day to day, and in another sense they are not new at all, but a passionate reaction, an attempt to eradicate the influences which made themselves felt after 1918, and to revert to the historical or mythical glories of the past. Fortunately music is offenselessly wordless, unless its authorship is un-Aryan or it contains those unvirile elements of the grotesque or expressionistic." He observes that the classical poets are somewhat embarrassing to the Nazis. "They had a taste in subversiveness and internationalism. Goethe has come into National Socialism as Pontius Pilate into the creed." He might have added that Schiller has hardly come in at all.

"Although," says this critic, "there is in Germany today an unequalled opportunity for the young dramatist of the first rank whose art receives a genuine impulse from these times, he has not emerged. What is required is that he can affirm the Nazi way of life, keep in touch with the people, respect ancient cus-

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toms and have the 'will to form' which in Nazi ideology means the dramatic expression of a will to collective discipline. Dietrich Eckhart is said to have achieved this, but he died in 1923." The reporter concludes: "The new Germany is as yet artistically barren and its governors have set their faces against individual achievement and experiment. Dramatists and actors are considered valuable not for the ideas which they beget — all necessary ideas having been conclusively begotten — not even as originating teachers, but as lesson-learners and audience-fodder. *The audience not the artist is what interests Germany now.*"

It is also what interests Russia; and in cultural matters the parallelism between the two societies is close. Dietrich Eckhart was a Nazi poet, but National Socialism has produced no Dietrich Eckhart. Maxim Gorki was a socialist author, but communism has produced no Maxim Gorki. The German publisher who brought out most of the works of the young National Socialist writers prior to the Hitler revolution complained to me in the summer of 1934 that there were no more *Nazi* writers: "Either like Ernst von Salomon they are considered heretics — right or left wing, as so often in Russia — or they are simply and inexplicably silent."

If the spirit fails to quicken, the National Socialist ideology furnished plentiful subject matter for conventional dramas. The Blood and Soil philosophy is transmuted into numerous peasant melodramas, whose claim on the *Zeitgeist* is that they contain plenty of soil and blood. The excitement of the revolution is depicted in films which with a little change in dialogue might be highly successful in Russia, showing as they do collective heroism and the criminality of individual self-aggrandizement. No *Zeitstueck* has emerged, on a stage where it has always been at home, comparable to Hauptmann's "Weavers," or "Figaro," or "Dr. Bernhardi," or "Nathan the Wise." Or for that matter comparable to Toller's "Massemensch."

A study of the book catalogues shows that German literature is given over, for the most part, to books on sport, biographies, historical works, and simple romances as innocuous as "The Girl of the Limberlost." One book-seller's winter list contains: "The Olympic Book;" novels about Joan of Arc, Diocletian and Caroline Schlegel; a collection of lives of scientists; a collection of short German biographies; and a Life of Bach. On the same list a best-seller is advertised as "beautiful holiday reading . . .

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full of bloom and ecstacy, a young passionate love-story set in a Nordic landscape, full of poetic tenderness." It is the landscape, evidently, which makes it Nazi. A leading best-seller last year was a sentimental love story, "Das Herz Ist Wach."

For the energetic writer, anxious to earn a living, there is plentiful picking to be had in eulogies of Nazi revolutionary figures, books on aviation, and, indeed, books of all kinds on military subjects. With Jewish journalists and scenario writers removed, it is a fine time for the Aryan hack. I have before me a list of those books which are considered preferred reading for children in the public schools. It appears in the official Magazine for Education, and presents the opinion of the Secretary for Education. Forty percent of all the titles of the list deal with battles, air combats, ancient Teutons, and racial questions, while most of the rest are either purely technical books or childish stories on folklore. An immensely large number deal with the Nazi fight against communism, liberalism, pacificism, and internationalism. One title is "Mathematics in the Service of National Socialist Education." Another: "What German Youth Must Know About Racial Inheritance." (He will know what few other peoples in the world believe to be true. The racialist books preach the theory that mixed blood results in a divided personality.) This sort of literature is being turned out in profusion by all the *conjunctur* scribblers in the country.

But the consumption of printed matter of all kinds is decreasing. It is difficult to keep track of the number of newspapers which have folded up in the three years since National Socialism came into power, and almost all of those that remain have lost circulation. Since they all publish the same news and nearly the same editorials, the monotony of reading them is great. The number of theaters has also decreased. In January 1928, there were 45 theaters and operas in Berlin, and two new plays were running that attracted international attention: Zuckmayer's "Schinderhannes" and Hauptmann's "Dorothea Angermann." In January 1932, at the bottom of the depression, there were still audiences for 30 theaters. On February 1, 1936, only 24 theaters and operas were operating, and a third of these were playing Shakespeare or classical opera. The most successful contemporary drama was the White Russian play "Tovarish." Nothing which could be described as creatively Nazi was on the boards.

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Official guardians of German culture themselves complain of their difficulties. At the end of last year the chief of the *Reichstheaterkammer* reported that the year had been difficult but that they were pleased that it had been possible to cover the need, in a relatively short time, for "clean entertainment plays and other *average useable stuff*." "The French salon comedy, the English society hit, the Vienna sentimental porridge, the Prague aesthetic drama, certainly can never be produced by National Socialist writers," he says. He goes on to admit that the general public had "been prejudiced in favor of this sort of stuff, never having known anything else." (Shades of the classic dramas which were always on the German boards!) But he rejoices that the German stage publishers have solved the problem by acting as "a very fine filter of stage literature." He thanks them for having saved the producers from working through censorable material and says, "Now, if we could only liven up the operetta theater we would be over the worst of our troubles." But, alas, the operetta theater in Germany was always chiefly Austrian, Hungarian, and largely Jewish.

All book-sellers suffer from the uncertainty of the censorship, for books may be withdrawn at any moment from the market if a sudden increased campaign is undertaken against Protestants or Catholics, or if an author whose works are permitted in Germany becomes personally distasteful to the Propaganda Ministry. Each number of the journal of the book trade carries a list of books which have been put that day upon the index. Whereas at first socialistic and communistic works appeared oftenest on the forbidden list, today they are overshadowed by religious books. Forbidden, according to recent numbers of the book trade journal, are such titles as: "German Folk and the Christian West;" "The Vatican and the Modern State;" "The Church in the Third Reich," etc.

It would, however, be presenting a false picture to give the impression that no criticism at all breaks through the crust of licensing and censorship. In the intellectual periodicals, in some German books and verses brave voices speak. They frame their words carefully, they use, where they can, the prevailing idiom, but through them breathes a whisper of an old wind, the wind of Freedom. And to Nationalist Socialist Germany must be given credit for one of the greatest Protestant documents of recent times, Karl Barth's "Theological Existence Today." To be sure,

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it cost him his chair at the University of Bonn; but without National Socialism it would never have been written.

Many forces propelled National Socialism into power, and amongst them the *Zeitgeist* played its rôle. But what was that spirit, the spirit which revolted both against communism and against the stuffiness of bourgeois conceptions, which groped for a happier social order, modern, yet rooted in the whole German past? The rebellion against sterile intellectualism, against the mechanistic conception of man; a Nietschean avowal of the heroic as opposed to the secure and rational existence; the desire for the self-disciplined community of free men, rather than the congerie of anarchic atoms of the capitalist-bourgeois state, or the society of regimented masses of the Marxian order; the longing for a reëstablished contact with nature and with wonder — all these things are in the German soul, and have found expression in German literature and German art, and in some vague and formless way dominated the Youth Movement both before and after the war. The conception of society not as a machine but as an orchestra, communal yet individual, coöperative yet voluntary, united but not uniform, was breathing through German society years before the Nazis came to power, hindered by organized forms, parties, and systems of thought. It was the longing expressed by Thomas Mann in the phrase "the truth for us lies somewhere between Athens and Moscow." And this spirit attracted to National Socialism — and also to the ranks of those who lined up against it — some of the most idealistic youth of Germany. But the National Socialist machine is no less sterile a mechanism because it regiments men under the banners of the Will to Bread and Freedom, and the liberation of the Folk-Soul. Allegedly fighting the spirit of bolshevism, National Socialism has adopted its entire technique. A people which wished to be free has forged its own chains.

But it was Herder who said of the *Zeitgeist:* "Lock it in cloisters, towers, and caves; nevertheless, it *will* escape."

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LABOR UNDER THE NAZIS

By Norman Thomas

IN 1929 Germany of all great countries came the nearest to being a paradise for organized labor. To be sure, it was definitely capitalist and neither the Social Democratic Party nor the Free trade unions associated with them seemed likely to make it anything else in the near future. But within the limits of capitalism, German labor enjoyed not merely in theory, but to a large extent in practice, almost every considerable right and privilege that well-meaning reformers or its own spokesmen could suggest.

The three major labor bodies — the Free unions (much the largest), the Christian (predominantly Catholic) unions, and the small liberal or Hirsch-Duncker unions — between them counted six and one half million members. The right to organize and to bargain collectively was written into law and some twelve million employees were under collective agreements. These agreements were enforced under the supervision of Labor Courts established at labor's behest by the law of 1926. These courts had proved friendly to labor. Seventeen million men were protected under an elaborate unemployment insurance system which in 1927 had been added to older systems of accident, health and invalidity insurance. Workers were further protected by old age insurance and in many trades had won protection against, or compensation for, arbitrary discharge. Despite Germany's economic storms, real wages by 1929 were back at the pre-war level — which had never been high. This was still true in 1930, after the depression had begun. The eight-hour day was also fairly general.

The consumers' coöperative societies, to which a great many workers both manual and clerical belonged, numbered some four million members and had an annual turnover considerably in excess of a billion marks. The workers also had their own banks, which were as successful as the economic situation permitted. The free unions even established a few businesses of their own, and the building workers, organized in guilds, had done well in coöperative construction work. Works Councils, although they had disappointed the hopes of some optimists as a vehicle for the participation of labor in management, were nevertheless useful in enforcing collective agreements. They usually coöperated in this task on a very cordial basis with the unions. A National Economic Ad-

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visory Council on which the workers were represented, while not an active factor in shaping German economy, gave labor a chance to meet on a nominally equal footing with employers.

If one takes for comparison the year 1932, just prior to Hitler's accession to power, labor's showing was worse. The world-wide depression had taken its toll. Wages were down; unemployment had grown to a total of about six million; social security benefits had been cut. The unions had fallen in membership; the Free unions, owing mostly to unemployment, had dropped from around five and a half to about four million members. Communist propaganda and organization, while increasing the militancy of a large number of workers, had undermined working class unity and confidence in the old unions and leaders. The communists had, in fact, made an effort to start their own unions. Nevertheless labor's position was still apparently strong. Successive governments had respected its legal rights. The lower middle class envied its relative security, an envy the Nazis cleverly exploited. Even Hitler, however, was careful to promise not less social security to the workers but more to the middle class.

All this was buttressed by the proud memory of achievement. After a long struggle, labor had extorted tolerance from the great Bismarck. The Kaiser had been obliged to woo it in the World War. It had given the Republic its first President. Its organizations had survived the shock of the French occupation of the Ruhr and the astronomical inflation of currency. Imbued with such memories, the unions not unnaturally expected that even after Hitler's triumph they would manage to live and maybe even recover some of the ground they had so suddenly lost.

Today the old voluntary labor unions are completely outlawed. Their elected leaders are dead, in exile, in concentration camps or prisons. The old constitutional guarantees of civil liberty and the old legal rights of workers to collective bargaining and to their own Works Councils have been swept away. Labor union property to an estimated value of sixty million dollars has been confiscated by the Nazi state. The Consumers Coöperatives, with their great strength among the lower middle classes as well as the workers, managed until last year to survive the zealous proscriptions of the totalitarian state. The process of their dissolution by order of the state has now begun. Weekly wages in most trades have gone down and prices up. The substantial gains in employment claimed by the Nazi Government since its accession to

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power are subject to considerable discount (as will be presently pointed out in greater detail) and in any case do not rest on permanent economic recovery in Germany. A brutal secret police crushes underground meetings and other activities with an efficiency unknown in the Germany of Bismarck or even in the Russia of the Tsars. Yet there is little reason to think that the mass of the German workers are more discontented than other groups, for instance the middle class, which is far from happy over the economic results of its own revolution. It is safe to say that neither the middle class nor labor is on the verge of revolt.

Why has so profound and catastrophic a change in the status of labor taken place without any open conflict? Why has German labor, despite the loss of rights which it had been slowly winning during half a century, despite its many martyrs, offered no resistance of strike or revolt to Nazi regimentation?

We can better answer these questions if first we examine more closely the development of Nazi labor policy and the present economic position and legal status of labor in Germany.

II

We are accustomed to think of Fascism in Italy and Germany as a middle class movement. This it is, but its point of view towards labor has never been that of the more extreme survivors of the *laissez-faire* school of capitalism such as finds expression here in America in the National Association of Manufacturers. The real founder of the National Socialist Party was a worker named Anton Drexler, a toolmaker employed by the German State Railways. The party was the National Socialist German Labor (or Workers) Party. As late as at its official convention of 1921 this party declared that "it accepts the class struggle of creative labor; it is therefore a class party." Hitler himself once declared that "the greatest danger for our people is not to be found in Marxism but rather in our middle class parties." And Gregor Strasser, then Hitler's powerful left-wing lieutenant, wrote early in 1932 that "our battle is against the bourgeoisie as the enemy of German Socialism and the saboteur of national freedom." Goebbels, a man of different stripe, who has held and increased his power in the Nazi movement, declared in September 1932, when the Nazis were coöperating with the communists in a Berlin street-car strike, that "a new National Socialist leadership would make the employing class feel the weight of its fist, would not,

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like the Marxists, back down before them." In short, the Nazi Party, however violently it might fight communists, socialists, and allied trade unions, did not at first propose to outlaw all labor organizations. Indeed, it started labor unions or cells of its own.

Nevertheless, one cannot feel that the Nazis "betrayed" the workers or that the development of Nazi labor law has been inconsistent with Nazi philosophy. Hitler, unlike Mussolini, was never a socialist and never pretended to care for the socialist — still less the labor — part of the Party name. In "Mein Kampf," for instance, there is a rather turgid discussion of trade unions in which he reveals that he distrusts them though he may accept them as a temporary necessity. He never played up the National Socialist labor organizations or cells as did many of his Brown Shirt subordinates. Once he was in office, a consistent development of his theory of the totalitarian state led him to establish a Labor Front that includes employers.

That development, however, took time. Actually, labor under Hitler's rule has lived through several stages. The first began on January 30, 1933, when Hitler took office as Chancellor by grace of von Hindenburg and with the support of big industrialists, Junkers, and the Nationalist Party which consented to a coalition with the Nazis. At once Hitler prepared for a general election. Pending that election he made no legal move against the unions as such, but he suspended until further notice all the articles of the Constitution which guaranteed liberty of the person and other civil rights. These he has never restored. The promulgation of this decree on February 28, 1933, followed the celebrated Reichstag fire, blamed by the Nazis on the communists. On the basis of these false charges Hitler carried out his campaign of suppression and terror. That was the beginning of the end for the political and economic organizations of the workers.

Even so, despite the Government's denial of every right necessary to a democratic campaign, and despite the open terrorism of the Brown Shirts, on March 5 of that year Hitler polled only 44 percent of the total vote. It took the 8 percent polled by his Nationalist colleagues — who were soon to find how precarious was their position — to give him a slight majority. Part of that majority consisted of a large number of young communist supporters, and a much smaller number of socialists, attracted by Nazi opportunities for action and hoping perhaps that even yet Hitler would remember that the name of his party was National *Socialist*.

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It followed, therefore, that Hitler and his party were not yet prepared even after March 5 to take too strong a line against the old unions. The immediate terror was directed against socialist, and more especially communist, political leaders; labor leaders as such did not escape altogether, but they fared better. The unions offered no open and effective resistance even when the Nazis beat and killed some of their leaders, seized by threat of force scores of Works Councils, and substituted their own men for the old officials. Perhaps they hoped that the storm before which they bowed would pass or at any rate abate.

Not so. On May 2, the very day after the great pageantry of Hitler's first German Labor Day, the Nazi Government occupied — without a struggle — all trade union headquarters, arrested all trade union officials, and took control of all trade union property. But still they did not abolish unions or deny them the use of all their old union property. They merely completed the process of *Gleichschaltung* (coördination). They put their own men in charge. They planted their own labor cells in the unions to propagandize and terrorize them. They set up official arbitrators and denied to the unions the right to strike or otherwise to function independently. In practice, these fascist-controlled unions were scarcely more than debating societies. The men put in charge of the largest federation — the *Metallarbeiter-Verband* — were three young members of the Storm Troops who had never worked at any metal trade or had any industrial experience. Men like this were ordered in June 1933 to draw up a "list of the despised" to comprise "all leading Marxists in the trade unions." It was the lightest fate of such persons to be denied employment.

Yet even debating societies are potentially dangerous to a dictatorship. The German trade unionists might not be openly rebellious, but they were not flocking to the Nazi banners. Both employers' organizations and labor organizations, even if controlled by Nazi directors, were contrary to the ideal of the totalitarian state. They suggested a class conflict. Hence as Hitler consolidated his power he abolished first the "coördinated" employers associations and next the "coördinated" labor unions. The latter lost their property, their rights, their very existence, completely and finally. Hitler did a real job of "coördination" and set up the German Labor Front comprising both employers and employees, no longer called by the old names but now termed "leaders" and "followers." The "Law for the Organization of National Labor"

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was issued January 20, 1934. Part of it took effect immediately; the rest by May 1, 1934. It marked the beginning of the third stage of labor's status in the Nazi state. As clarified by the decree of October 24, 1934, it is still the law for labor. Under it the German Labor Front is the inclusive organization of German brain and hand workers. Former members of employers associations and of unions have "equal rights" — whatever they are! No other labor organization of any sort is tolerated.

Under this scheme of things there is in every establishment employing twenty or more workers an elaborate organization with little or no power. The "leader" (employer) makes the real decisions, but he must have as advisers "trusted men" or a "confidential council." These "trusted men" are chosen by ballot of the "followers" (employees), but only on nomination of the "leader" "in agreement with the chairman of the National Socialist cell organization" — an admirable tool, the latter, for propaganda and spying. Real power in law is vested in Labor Trustees (*Treuhänder der Arbeit*), one for each region, and Social Honor Courts. They may discipline either "leaders" or "followers." They may even remove a "leader." In reality the Trustees have final power; little is heard of the Honor Courts. The old labor courts still continue, completely subject, of course, to Nazi authority. Recently their decisions have shown a more friendly attitude toward the workers than they did at the beginning of the régime.

The whole German Labor Front is declared to be an organ of the Nazi Party, and its direction rests with the Party. Though the old rights of collective bargaining or of striking are gone, the law, besides permitting workers to vote for "trusted men," by implication permits or encourages shop meetings, with the "leader" present, and gives the workers a certain protection against arbitrary dismissal, etc., and the right of appeal to the labor trustee or the courts. All these labor officials are, of course, state or Nazi Party officials, not representatives chosen by labor.

An agreement was reached on March 26, 1935, between Robert Ley, leader of the Labor Front, and Dr. Schacht, Minister of Economics, whereby the Reich Chamber of Economics joined the Front. The Reich Chamber of Economics is a great bureaucratic organization, containing all the employers in Germany, controlled by the Ministry of Economics. The Chamber of Economics has become the Economic Department in the Labor Front. All of this would seem to indicate not only that the em-

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ployers are represented twice in the Labor Front, but that the Minister of Economics can directly control all its actions.

By a law of February 26, 1935, the Ministry of Labor was given the power to introduce labor passports (*Arbeitsbücher*), ostensibly for the purpose of effecting "a more rational distribution of labor." The use of these passports will inevitably still further restrict the worker's freedom of movement and choice of employment.

In such times as the world is now enduring, any description of the legal status of workers is far from indicating their actual condition. Workers, whether in Germany or America, do not eat legal rights but bread. History, especially recent history, gives much evidence to support the contention that men want security more than freedom and that for an indefinite time they may be successfully governed by a dictator who keeps in mind the maxim that "contented cows give the best milk."

How well has the Nazi state been able to give its industrial serfs material contentment? This is a hard question to answer because agencies for free discussion and criticism do not exist in Germany. Certainly the Nazi state has not provided the German masses with abundance. Outside observers differ widely in their opinion as to how far the Nazis have succeeded in putting their economic program into effect. Some praise Hitler for reducing unemployment in the face of great financial difficulties, others maintain that he has made very little headway in that direction.[1]

Under the Nazi Government there has been much "invisible unemployment." The number of unemployed Jews is great and is increasing; but these are not counted as unemployed. A decision by the highest labor court at Weimar on November 27, 1935, opened the way for the dismissal of all Jews working for non-Jewish employers. This means that the Nuremberg laws are to have the widest application in the industrial field, in order to protect "Aryan" employees from Jewish influences. Jews will have to work for Jews or not at all. Another source of "invisible unemployment" has been the wholesale discharge of women whose husbands are employed, and of unmarried men under twenty-five. None of these are included among the unemployed in the official statistics. Part-time workers are counted as fully

[1] See, for instance, the well-documented pamphlet "Labor Under Hitler" published by the Research Department of the Chest for the Liberation of the Workers of Europe, in which it is stated that by January 1935 there had been no substantial reduction in the number of unemployed in Germany (*circa* six million) since Hitler's accession to power.

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employed. Made work, somewhat similar to our work in CCC camps and for the WPA, accounts for some of the employment. The reintroduction of conscription takes many hundreds of thousands of young men off the labor market. German agricultural workers are forbidden to come to the cities and the unemployed are enrolled in the so-called Land Service and Land Helpers. In 1935 came the increase in employment due to rearmament; of course this is dependent on a continuance of rearmament at the same lively rate.

III

Now as to the wages and social security of German workers. Here we must bear in mind that while certain basic facts are recognized, honest observers may differ as to what these facts mean. What follows is an attempt to give a consensus of well-informed opinion.

In the early days of the Nazi régime the workers clearly lost in weekly wages and in benefits. But unemployment was reduced, at least on paper, by such expedients as I have already cited. It was also somewhat reduced by the bold plan of forbidding all employers to lay off workers, or by severely restricting the number they could lay off.

But later on, as the Government became the recipient of the benefits of the general trend toward world recovery, as the rearmament program got under way, and as young men began to be taken into military formations, there was an increase in employment and an improvement in the lot of the workers. The government began to boast that before 1936 it would end unemployment. Since then, however, there has been some slowing up in rearmament, and winter brought the usual lull in outdoor work. The Institute of Business Research in Berlin announced in the autumn of 1935 that the unemployed might increase by a million and a half before the winter was over. Latest figures make this seem conservative. December alone saw an officially admitted rise of 522,354, to a total of 2,506,806 registered unemployed.

Hitler's desire for rearmament has given a chance to the metal trade workers (as in war days) to win a special status, in fact if not in law. Their wages have risen and they have felt able to speak up a little for themselves. Other groups, like the textile workers, emphatically do not share in these gains. The average money wage per week is lower than when Hitler took office. It is still

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further reduced by the numerous levies, some of them nominally voluntary, which workers as well as other sections of the population have to meet. The pamphlet, "Labor under Hitler," cites figures, taken from the German Labor Front's own investigations, to show that at the end of 1934 the average industrial wage was reduced from the low level of 26 marks weekly to 22 marks by "taxes, insurance, dues and other official contributions." Social benefits are less, but by way of partial compensation the Government stages spectacular and tolerably successful drives for charity funds. Prices for necessary foodstuffs are rising. Butter is today scarcely obtainable in working-class sections at any price. This is due to the general economic situation of Germany: to the fact that its foreign trade is a kind of glorified barter, that it has no foreign credit, that it must pay for imports with exports, and that all the emphasis has been put on the import of materials useful for rearmament.

Today, nevertheless, whatever may originally have been the case, *relative to other sections of the German population*, including the very middle class to which Hitler made his primary appeal, the workers are not economically worse off than they were when he took office. Within the last few months their condition relatively — and only relatively — has been improving, and the condition of the middle class has probably worsened.[2] A psychological factor in keeping the workers quiet has been found in the organizations for sports and culture, especially by the government's much-advertised organization, *Kraft durch Freude* ("Strength through Joy"). We may well doubt whether this really has given the workers much more vacation than they had before, and probably it has used part of the money taken from the labor unions to carry out its program. Nevertheless, the organization has certainly been found of psychological value to the government.

In all this there are no indications of a degree of discontent likely to lead to early revolt. The government has won praise for having restored the national pride. The armed forces are impressed by its rearmament achievements and unquestionably are loyal. The compulsory military service of a year, plus another six months for labor service, is popular. All the same, the Government is nervous. Lately it has made efforts, not altogether successful, to reduce still further even the meagre importance of its own German Labor Front, to prevent shop meetings of any sort,

[2] This was true before the very recent increase in unemployment.

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and to put more and more of the power over labor into the hands of the Labor Trustees. In spite of all this there are signs that the working class is getting ready to reassert itself. Indeed, a few employers, irritated by the Nazi bureaucracy, are said to think that the good old days were not so bad! It may be symptomatic that the Nazi campaign for the definitive suppression of the coöperatives has halted — but whether for fear of popular discontent or for economic reasons is hard to tell.

In view of all the facts, the really surprising thing is that the underground struggle against Hitler among the workers is so intensive. Once a group has been so completely deprived of power, time is needed for it to recover its morale. Yet today unknown thousands of Germans — socialists, trade unionists, communists — daily face concentration camps, torture and beating, death by the ax, to carry on their propaganda. The international trade union movement is justifying its internationalism by the generosity with which some at least of its organizations are giving not only to help their German brothers in exile but to finance the work being carried on quietly in Germany. There cannot be a comprehensive movement, not primarily because of those divisions in the German movement which helped give Hitler his chance (the bitterness of the socialist-communist feud is lessening), but because the underground movement must begin among men who already knew each other in their unions or party organizations. Not only is the Nazi police efficient; it has at its call an army of spies, some of them secret renegades. The "spy bulletins" of the Social Democrats, issued from their Prague headquarters, already list 500 names. No wonder that, taught by bitter experience, leaders of underground organizations of labor unions, of the Communist and Socialist Parties, and of such small but significant groups as the "New Beginning" movement, are seeking to build cells in which as far as possible the average member will know only one, two, three or four of his coworkers. Thus there are few to be betrayed by the spy or by the prisoner tortured into confession. With undaunted courage labor men and women come to secret conferences outside Germany and go back to carry on. They risk their lives to distribute contraband newspapers — though the present tendency is to question the value of such sacrifice. More valuable today is the quiet word to a fellow worker. Moreover, even though no secret meetings of more than two or three persons are possible in Germany,

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seeds of unrest can be sown in the meetings held by the Labor Front.

The implacable sadism of the Nazi Government towards its enemies continues. "Only recently," says the report of the Chest for the Liberation of the Workers of Europe to the A. F. of L. Convention held in Atlantic City, "a fifty-year-old woman worker was sentenced to five years' imprisonment for the possession of a trades union publication. . . . In Germany since the advent of Hitlerism, 120 opponents of the régime have been beheaded, nearly 100 were given life sentences, and 7,000 years of hard labor meted out to others, most of them former members of the German Trades Union. This is exclusive of the thousands who find themselves in concentration camps and under temporary arrest." Then follows a partial list of trade unionists murdered without trial, beaten, tortured or shot by Nazis. It contains 17 of the best-known names in German labor circles. To that is added a list of 14 more who escaped into exile.

IV

Against this background of fact I can now attempt more explicitly to answer some of the questions which have been partially answered by implication. Why did German labor accept, why does it still endure, the Nazi rule? For no reason primarily inherent in German character. And given certain conditions, unless we learn from European experience, the same sort of thing might easily befall labor in the United States.

The German labor movement under the Weimar Republic, though far stronger than the American now is, was not as strong as might appear from the figures with which this article began. It was beset by many difficulties, among them these:

1. It was divided, and for the bitterness of that division the Russian-controlled policy of the communists was largely though not wholly responsible.

2. It had failed to win the "little men," especially the farmers and agricultural workers. Nothing is clearer today than that an urban proletariat, no matter how well organized, cannot of itself win a revolution so long as the owning class can make an alliance with the middle class followers of a Fascist demagogue or recruit loyal armies from the peasantry.

3. Extensive unemployment, which grew as the world depression deepened, made it hard for the German unions to contem-

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plate a general strike such as they once had made effective against the Kapp Putsch. They were unable to find a way to do anything for the young unemployed; and these Hitler won.

4. But the outstanding lesson of the collapse of the German labor movement was that labor cannot rest on its oars: it must push forward to retain the social reforms already won. Labor can not declare a moratorium, as did the German Social Democrats and trade unionists, on the old socialist idealism and program without losing the militant loyalty of the masses in the face of Fascism's false but vigorous idealism and its appeal to outraged nationalism. Neither can a communist philosophy be successful if its application, as in the case of Germany, be subordinated to Russian ideas and to Russian national needs rather than to the demands of the local situation. Once Hitler got control of the apparatus of government it is as easy as it is unpleasant for us to see how he kept it. He used bread and circuses; he used with terrible efficiency the propaganda power which an absolute control of the press and the radio gave him. He used the truncheon, the rubber-hose, the whip, the torture cell, the ax. He rediscovered the old truth that men can be better intimidated, their dignity and self-respect more utterly stripped from them by the filth of jails and concentration camps, by beatings and other cruelties of sadistic keepers, than by the fear of death itself. He none the less added death to torture as a guarantor of his power.

The mass of workers, in certain circumstances and under intelligent and courageous leadership, can carry on a war or a strike with desperate heroism. But masses as masses will never on their own initiative carry through a revolution under such circumstances as those now existing in Germany. Not while Hitler holds the loyalty of the army, and is able to supply more jobs than could his immediate predecessors. The workers may resent many things; they may deplore Nazi cruelty to the Jews and show it, as they did by patronizing Jewish shops in the Berlin working class districts after these had been sacked by the Nazis. They will scarcely do more — except for one great thing, and that is to furnish no small share of the individual heroes who must prepare the way for any revolution. Today the chief function of the underground movement is to recruit the revolutionary élite and to spread among the masses the news which *der Führer* struggles so hard to keep from them: news of unrelenting political persecution,

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of the uncertain economic future, and of the opinion of workers in other lands concerning Hitler's brave new world.

It may help Americans to understand the situation of the workers if they will remember that Fascism is not, as some writers and speakers have maintained, a conspiracy of capitalists. It is a phase of capitalism, accepted by big industrialists and Junkers as preferable to communism or socialism. It upholds the rights of private property, the class division of income and the institution of profit. But individual capitalists are not the real power behind the dictator. Herr Thyssen aided Hitler; but he does not run Hitler; indeed, he travels much "for his health." The employer ("the leader") has his own troubles in a totalitarian state which compels banks and insurance companies to take government paper, imposes "voluntary" special taxes upon business, reserves the right to remove "the leader" of an enterprise, and compels all employers under certain conditions to keep their workers and to contribute to social services for them. We shall fight Fascism better at home if we do not denounce it to workers on the score that it is a conspiracy of individual exploiters and demagogues, but because it is a logical development of capitalist nationalism.

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EDUCATION UNDER THE NAZIS

By Charles A. Beard

EVERY system of education, besides being embedded in the context of a given civilization, presents certain aspects by which its nature may be judged. Among its outstanding features are the scheme of administration; the body of objectives or principles for controlling instruction; the class-room procedure; the code of rules governing the admission and conduct of students; and the degree of liberty allowed to private institutions.

Administration may be highly centralized as in France; or it may be decentralized as in the United States, where each state, and to some extent each community, manages its own schools and makes its own curriculum. It may be especially concerned with the mechanics of providing equipment; or it may be particularly interested, as in Germany, in regimenting the bodies and thoughts of pupils.

The objectives or controlling principles may be sharply enumerated and defined; or they may be only partly prescribed by law and decree, leaving a wide discretionary power in the hands of teachers and local formulators of curricula. So likewise with class-room procedure. It may range from rigid and exacting drill to an individual freedom bordering on anarchy. It may demand unquestioning obedience and impose fixed dogmas on pupils; or it may permit, even encourage, the presentation of conflicting views, and favor the exploration of opposing conceptions. In other words, the teacher may imitate the drill sergeant or follow the example of Socrates.

The code of rules for the governance of pupils may confine admission and promotion to favored groups, and subject student life to a harsh discipline; or it may open wide all channels of education to talent, irrespective of birth and position, and throw upon maturing pupils a high degree of moral responsibility for their conduct. Private institutions of learning may be encouraged by public policy and granted a wide area of liberty; or they may be subjected to State discipline, perhaps abolished entirely.

It is by studying closely such features of any educational system that we can most firmly grasp its forms, animus, and meaning for contemporary life.

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Yet it is apparent, from what has been said, that we are not dealing with complete opposites. Every system of society, from that of primitive Indians to a highly complex civilization, imposes some positive obligations on training or education, and enforces them by custom or law. Respect for monarchy is not taught in the schools of the United States, nor is it conceivable that any state in the Union would permit the formulation of a curriculum based on the monarchical principle. America is a republic, and republicanism is inculcated in American schools. Every revolution in the Western world has bent education more or less to its purposes. This "law" of history is illustrated in the writings of George Washington, Benjamin Rush, and Thomas Jefferson, and in the efforts made after 1776 to establish a system and theory of American education. Here, as elsewhere in human affairs, it is a matter of degree, of emphasis, of spirit. It is with some such caution against hasty generalizations that we approach the development of education under National Socialism in Germany.

II

In speaking of a country which has no fundamental law, where the will of one man makes and unmakes law, it is difficult to discover the precise form and content of educational administration. Yet some features stand clearly written in the official publications.

Whatever rights the German states once enjoyed over their respective systems of instruction, it is certain that Adolf Hitler, as Leader and Chancellor, makes general educational law whenever he finds it convenient to his purposes. An example is to be found in the law and ordinance of April 25, 1933, requiring state governments to limit the number of students admitted to schools and faculties, applying the percentage ratio to "non-Aryans," and bringing private schools under these limitations.[1]

State ministries of education continue to exist in attenuated form, but they are subject to Reich law. Moreover they have been completely overshadowed by the action of Prime Minister Göring and Reichsminister Rust late in 1934 in fusing Prussian and Reich administrations. This official act created a single Reich and Prussian Ministry of Science, Education and National Culture, with six departments covering every phase of education,

[1] *Zentralblatt für die gesamte Unterrichts Verwaltung in Preussen*, May 5, 1933, p. 128–129.

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schools, libraries, museums, literature, the arts, theater, cinema, and ecclesiastical affairs.[2] There is, accordingly, documentary support for the proposition that the administrative supervision over education in Germany has been brought under a single national office and that the scope of its authority embraces every intellectual activity even remotely related to education.

It is equally evident from the mass of laws and decrees spread over hundreds of pages that German educational administration is not concerned merely or even primarily with providing favorable physical conditions for intellectual and moral life in institutions of learning. On the contrary, decree after decree shows that it is above all interested in imposing a rigid pattern of life and thought on teachers and pupils alike, and is openly hostile to every manifestation of free inquiry and discussion in the schools — from the bottom to the top. The subjects to be taught, the books admitted to school rooms, the papers and magazines bought for school libraries, and the very spirit of instruction are prescribed in minute details. No room is left for private opinion, for experimentation, or for the consideration of any questions deemed "out of line" by the administration. The life and sports of students as well as the thought and conduct of teachers are brought within the system of regimentation. The declared purpose and program of education is to crush all liberty of instruction and all independent search for truth, and to "incorporate German youth in Home, Folk, and State by the awakening of sound racial forces and the cultivation of them with political goals consciously in mind."[3]

Moreover, the central control of educational administration is strengthened by general legislation touching the reorganization of the professional civil service and the retirement and promotion of civil servants. Under this legislation the Reich was permitted to enter the field of education hitherto reserved to the states and take over the control of the teaching personnel in its higher ranges. It was permitted to dismiss professors and teachers, along with other officials, whether employed by the Reich, the state, or the cities. It was also empowered to transfer officials from high posts to low and from low to high, as well as to dismiss and retire on pension. While the law provided for the retirement of pro-

[2] *News in Brief*, published by the "Deutscher Akademischer Austauschdienst," December 1934, p. 20.

[3] *Amtsblatt des Reichs- und Preussischen Ministeriums für Wissenschaft, Erziehung und Volksbildung und der Unterrichts Verwaltungen der anderen Länder*, January 5, 1935, p. 6.

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fessors at the age of sixty-five, "reliable men" could be continued in office by "administrative order."

By legislation just cited and by practice, the Prussian Act of 1852 guaranteeing a certain academic freedom was abolished. Under that Act, the university professor in Prussia, like the judge, and unlike the ordinary administrative official, could not be transferred against his will and could not be demoted except through proceedings in a disciplinary court. In other German states a similar immunity from arbitrary administrative intervention was established by law or custom.

This celebrated *Lehrfreiheit* is now at an end. Administrative officials can discharge, retire, transfer, and promote at their pleasure. Rectors of universities are no longer chosen by members of the faculties, but are selected by the ministry of education. Faculties have lost the right to control the admission of new members. The minister in charge may appoint any man — an insider, an outsider, a foreigner or a German, a competent university graduate or a vigorous Nazi educated in "the university of hard knocks." Thus all protective safeguards against administrative removals, transfers, and demotions have been broken down, and the teaching profession stands defenseless before the administrative machine. In addition, teachers' organizations, which formerly sought to advance the interests of the profession, have gone the way of the trade unions and have been incorporated in the Nazi system.

As if the official administration could not be counted upon to drive out all teachers unacceptable to Nazi authorities, a special law was issued early in 1933 creating a student union at every university (*Deutsche Studentenschaft*) and welding these bodies into a national organization. Each student union was composed of "Aryans" and led by Nazis; and the national organization was likewise under Nazi direction. On April 28, 1933, the national leader of the organized students ordered local student leaders to report on professors to be expelled on account of their Jewish origin or deviation from orthodox Hitlerism. He likewise instructed them to make separate reports on professors whose political views and teaching methods were deemed "correct." Not content with drawing up lists of proscribed and favored persons, student leaders howled down professors, made riots in classrooms, and applied bitter epithets to all opponents and critics, even of the mildest type. Their methods were so disorderly

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that some "coördinated" newspapers dared to deplore their tactics.[4] Nevertheless the student unions aided vigorously in the great "administrative purge."

Under laws, decrees, and administrative practice, the German educational system was "purified" and "regimented" from top to bottom. Hundreds of professors were ousted — retired on pensions, expelled without pensions, or driven into exile. The long list of eminent scholars forcibly retired or expelled is a veritable honor roll of German science and learning.[5] It includes not only leaders in the humanities, to whom "political" or "social" taint might be imputed, but also pure scientists far removed in their interests from the turmoil of the forum. When a few professors resigned in protest against this attack on scholarship, they seemed to accelerate rather than diminish the vigor of the assault. As the process of decimation continued, professors who remained saw that they could only save themselves by paying at least lip service to Hitler, even if they were "Aryans" engaged in research in physics or chemistry.

After the "purification," the vacant chairs were filled by the appointment of loyal Nazis. As a rule these new professors were men without high standing, for the more eminent members of the learned class had not been friendly to the Hitler cause. If they had not centered their affections on the old monarchy, they had made accommodations with the Weimar régime. Thus in sum and substance German universities were subdued to the program and ideology of the Storm Troopers. They had not been exactly the homes of liberalism or democracy in the old days of William II, but they had maintained a certain pride in *Lehrfreiheit*. Today they have lost the last remnant of their former independence and have been turned into barracks for housing and promoting the interests of the Faithful.

Even the Kaiser Wilhelm Society for the Advancement of Science has not entirely escaped the steam roller. It has refused to apply "the Aryan clause" and still retains in its membership a few distinguished Jews, including Frau Professor Lise Meitner, specialist in physics and chemistry. And the only active Nazi in the Society, apparently, is Professor Eugen Fischer, Director of the Institute for Anthropology, an enthusiast in "racial

[4] *Deutsche Allgemeine Zeitung*, April 26, 1933. For disturbances at Berlin and Kiel, precipitated by student unions, see London *Times*, April 25, 1933.

[5] For the early expulsions from various institutions see *Manchester Guardian*, May 13, 1933.

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hygiene." Moreover, at its silver jubilee in January 1936, President Max Planck proclaimed "the independence of science and the liberty of the individual scientist" and announced the receipt of a congratulatory telegram from the former Kaiser at Doorn. Nevertheless a message on behalf of the Society was sent to Chancellor Hitler, saying: "Science and business stand loyally by the German Reich which you created, knowing that only under your leadership and the protection of the armed forces can they perform useful work." Even so, the great Hitler organ, the *Beobachter*, attacked the Society, while paying tribute to the individual members, and raised the question whether there was room in the National Socialist State for the Society as at present constituted. It would seem that the liberty claimed for "science and business" by the Society is precarious.[6]

In the lower ranges, down to the common schools, regimentation has been perfected. Nearly all, if not all, the independent and experimental schools have been taken over or closed or driven into exile. State ministries of education were captured. Soon after the accession of Hitler, Storm Troopers visited lower schools, questioned teachers in front of their pupils, and expelled or arrested those found "disloyal." Any "purification" overlooked by private enterprise was completed by administrative action under various decrees and laws touching "the reconstitution of the professional civil service." Nowhere in the German educational system is any critic of the National Socialist creed tolerated. Outward conformity, if not enthusiastic devotion, to the official body of doctrines prevails everywhere, even in the confessional schools maintained by Catholics under the Papal settlement with Chancellor Hitler.

III

The body of principles controlling Nazi education, if apparently less official and precise than the legislation, is nevertheless clear-cut and emphatic. It contains both negative and positive elements.

It rejects and condemns everything known in Western Europe and the United States as "liberalism." Parliamentary institutions, liberty of press, speech, and religious worship, freedom of parties, discussion, and elections, equal rights for women, the inviolability of established law, and individual liberty within

[6] New York *Times*, January 12, 1936, p. 31.

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established law — all these things brought forth in struggles extending over three hundred years — are cast aside as bourgeois, effete, and contrary to "the German spirit." If mentioned at all in courses of instruction, they are to be considered as foreign to the German people, as unworthy of their "race." With these "decadent" institutions and practices is discarded the "internationalism" of the Cobden and Bright school and its modified forms of later years. That too is bourgeois and effete, out of harmony with the autonomy of the Third Reich.

Everything savoring of Marxism is likewise discountenanced. The economic interpretation of history, except as applied to other countries, is repudiated. Labor internationalism is proclaimed a foe of the German race. The existence of classes and class struggles is denied. Both communism and social democracy are outlawed. German historical writing, formal enough in the old days, is being purged of all realistic tainting done in the Marxian style. Apparently no responsible Nazi has gone so far as to urge, like the agent of an American patriotic society in Washington, D. C., that nothing about Russia, except "the geographical facts," should be taught in the German schools. But certainly the examination of Marxian writings in the scientific spirit is frowned upon as perilous to the unity and morals of the Third Reich.

On the positive side, the body of doctrine to be imposed on education is so voluminous as to overwhelm the searcher. This was of course to be expected. Long the happy land of pedagogues, pedants, and philosophers given to writing endless volumes, brochures, and articles on education under the auspices of a *Weltanschauung*, Germany was bound to be prolix in expounding and documenting the Nazi creed for educational purposes. Already thousands of titles crowd bibliographical pages, on everything political, racial, psychological, spiritual, and pedagogical. One has only to examine the footnotes to C. H. Tietjen's *Ganzheit und Heldentum als Grundlage und Wirkung deutschen Lebens und deutscher Erziehung* to discover that the German soul, science, mythology, and history have been explored and exploited to furnish justification for "the new education." Already we have in profusion the *Einleitung*, *Grundlegung*, *Grundwissenschaft*, *Grundlagen*, *Grundzüge*, *Theorie*, *Begriff*, *Wesen*, *Praxis*, and *Pädagogik* of Nazi education.

Yet in this flood of books and articles a few stand out as authoritative and fundamental. First and foremost is Hitler's "Mein

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Kampf." Like the Koran among Mohammedans and the Bible among Christians, it is quoted freely and reverently by all the writers of the new order. Its passages touching education even remotely are cited and elucidated. Nothing is allowed to controvert or contradict the revelation therein made. No other book approaches in authority this sacred text; but two or three other works take a high secondary rank. Among them are Rosenberg's "Blut und Ehre," and "Der Mythus des 20. Jahrhunderts." For those having occasion to deal with difficult topics in political economy, Sombart's "Deutscher Sozialismus" is at hand. For the strong man, proud of his masculinity, and desirous of showing women their place, Bäumler in "Männerbund und Wissenschaft" provides guidance by tabulating the virtues of his sex and setting them over against the qualities of democracy "which ultimately leads to a condition where women are allowed to pass judgment on men." For budding soldiers there is no end of texts on the manly life and "the science of warfare."

Amid the profusion of ideas, opinions, assertions, and facts presented by the literature of the authorities, certain principles stand out as controlling dogmas for education. First of all is the doctrine of sheer force. The State is power, and Adolf Hitler is the State. With the aid of Storm Troopers, he seized the helm; by force he holds it. The will of the State is his will. Might is to be celebrated, and intellectual and moral objections put down by force. Not by common counsel, adjustment, and compromise are the people to make the supreme law. The Leader, master of force, makes it. This force is not a mere means to an end; it is a good in itself, to be praised, glorified, and deified. The man of brute strength who makes his will prevail is the type to be exalted, and in this man the soul of the nation is mirrored. As the strong man spurns weakness, pleas and arguments, and makes his will supreme, so the strong nation makes its way, spurning the rights and claims of weaker nations. This is the old dogma of Treitschke, without qualifications: *Der Staat ist Macht.*

In application this dogma gives to the Army the highest place in the nation's thought, affection, and life. The nation *is* the army. Adolf Hitler *is* the State. He expresses the will of the State. The army serves the State. "The object of our education," declared Hitler, is to produce "the political soldier." The system of education directed to creating the political soldier "should include all Germans, whoever they are and whatever may be

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their functions. . . . Whoever has passed through this system of education is a political soldier. The military man in a strict sense is only distinguished from this soldier by the special instruction which he has received." Any other values that may be cherished are subordinate to this superlative value, and must not weaken or conflict with it. Intellectualism, urbanity, aesthetics, femininity, are decadent, says Bäumler; the new Germany represents the virile and dominating principle of life. The Army is the perfect embodiment of this principle.

As an inescapable corollary to the exaltation of force and the Army is the condemnation of everything associated with the advancement of women in civilization and the advancement of civilization through feminine interests and activities. The supreme function of woman, Hitler asserts, is the function of bearing and rearing children — especially soldiers. Equality of opportunity for women in education, the professions, and in public life cannot be endured in the man's State; it is a sign of degeneration, of liberal urbanity. Women are to be taught "their place" by men, and kept there. As a result the number of women admitted to higher education has been drastically curtailed. Exclusion by law has not come yet, but the result is being achieved by administration. Women are the servants of men; men are the soldiers of the State; and Adolf Hitler is the State. This doctrine controls the formulation of curricula for the schools.

Coupled with the exaltation of force and the Army and the restriction of women to biological functions, is the doctrine of "race." According to this doctrine there is such a thing as a pure German or Aryan race. To this element of race Germany owes her greatness and will owe still greater achievements to come. To use Dr. Frick's formulations, this race has led in the making of history; the ancient Greeks were blood brothers to the Germans and lost their preëminence because they did not have enough children and were overcome by "inferior and democratic races;" to Germanic invasions Egyptian and Sumerian civilizations owed their super-excellence; Germanic invasions of France, Italy, Spain, and England account for the superiority of those countries over Russia and the Balkans. The Teutonic race, which has made nearly all Western history worth mentioning and is about to make more "great history," has its purest breed in Germany. The breed must be multiplied. It must be kept "pure." Jews are condemned in language unprintable. They are to be

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driven to the Ghetto or out of Germany. Whoever touches a Jew, trades with a Jew, carries on intellectual intercourse with a Jew, betrays his "Aryan" race. Praise of the German race, hatred for Jews, and contempt for other "inferior and democratic races" — these are doctrines to be drilled into the minds of young Germans in the schools. Thus the creed of Houston Stewart Chamberlain is carried to its ultimate conclusion and is made the national creed of a dictatorial State dedicated to the worship of force.

Associated with the body of Nazi doctrines is "faith in God." Hans Schemm would write these words above all education, in capital letters: Race, Arms, Personality, and Religiosity.[7] He would unite the German people with God. Yet it must be conceded that the God of the Nazis is not exactly the Jehovah of the Jews or the God of St. Augustine. Nor does the Nazi conception square exactly with the God of Martin Luther. Indeed one extreme wing would go back to Tor and Wotan. While the Christian conception is by no means rejected entirely, it is sometimes elucidated by the saying that "Jesus was a German betrayed by the Jews." But whatever exegesis may finally decide, German children are to be taught in the schools to love, honor, and fear the German God, and they are to be taught by orthodox Nazis loyal to the State of Adolf Hitler. Moral and secular instruction has been set aside, and "religious lessons" substituted.

IV

The body of doctrines prescribed by the Leader and his party colleagues is reflected in the curriculum of the schools. Apart from mathematics, languages, and natural science, emphasis is laid on a kind of community civics (*Heimatskunde*), physical education, "racial hygiene," the history of the great German race, the heroics of war, and "religious instruction" designed to take the place of *Lebenskunde*, or non-confessional moral training. Before the school principal can take up the subject of race questions and race hygiene, he must seek the collaboration of the local Nazi party official in charge of "race politics."[8] Party officials are also especially active in outlining and directing "religious" instruction — all to the end that the right line may be followed. For the inculcation of Nazi principles, particular reliance is placed on carefully prepared "history."

[7] Hans Schemm (ed.), *Deutsches Bildungswesen* (1933), p. 6.
[8] *Amtsblatt des Reichs- und Preussischen Ministeriums*, January 20, 1935, p. 27.

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Lest teachers be led astray by history written in the dry scientific style of Ranke or imported from foreign parts, Dr. Frick laid down a historical platform of fifteen points for the guidance of writers and teachers. They may be summarized almost verbatim as follows:

1. Role of prehistory in which is emphasized the high civilization attained by the ancestors of the Germanic race.
2. Role of the primitive race in which are prefigured all the great peoples and personalities of Germanic origin.
3. Role of the racist and national idea as opposed to the internationalist ideal so perilous to the German people, too much inclined to dreams and utopias.
4. Role of the great Germanic community scattered throughout the world and inseparably linked to the destiny of the Reich.
5. Role of political history which surveys the *ensemble* of large historic periods and takes account of their laws.
6. Role of the idea of heroism, in its Germanic form, which is inseparable from the idea of chief and leader.
7. Role of the heroic ideal, peculiar to the German race, always compelled to assert itself against an encirclement of enemies.
8. Role of the great migrations of peoples since the glacial epoch, which have determined the history of the Germanic race and assured the preponderance of Indo-Germanic languages.
9. Role of the great Germanic migrations into Asia and Africa which explain the pre-excellence of the Egyptian and Sumerian civilizations.
10. Role of the mixtures of races, with disastrous consequences — to be extensively developed and explained.
11. Role of the ancient Greeks, closest brothers of the Germanic race, with explanation of how they succumbed when the population declined and they were outnumbered by inferior and democratic races.
12. Role of the great Germanic migrations into Italy, France, Spain, and England, which explain the preponderance of these countries over Russia and the Balkans, which have not been fertilized by new blood.
13. Role of the conquest of territory east of the Elbe.
14. Role of modern history which shows how Germany was too easily receptive to alien influences, and then lost consciousness of her own qualities, through lack of knowledge of the laws of blood.
15. Role, in particular, of the last twenty years in the course of which Germany, having struggled against the coalition of her enemies, was betrayed by forces hostile to the nation and led to the verge of ruin by liberal and Marxian ideologues, carried down to the day when, in a heroic resurgence, she gave herself to National Socialism.[9]

In this large overview of history stress is laid on the prehistoric period of the Germanic race, peopled with semi-mythical heroes and celebrated in stories and songs of dubious authenticity. Here

[9] *L'Europe Nouvelle*, April 6, 1935, p. 320.

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in the dark shadows of primeval forests a noble race of mighty men prefigured the bodily strength, the fighting energies, and the earthy qualities of modern Nazis. With historic sources scanty, of comparatively recent date, and open to every sort of interpretation, the untrained Nazi teacher can freely manufacture primitive support for the Leader, the army, the subjection of women, and the glorification of force. There was no drawing-room gentility or Parisian aestheticism in the primeval forests of Germany. There men of huge bodies, big bellies, and hard fists displayed the virtues of the great Germanic race, unspoiled by foreign influences of the Liberal or Marxist direction. When the foes of Hitler charged him with returning to the primitive forests, his defenders accepted the charge, boasted of going back to the woods, and renounced proudly all claim to "general culture."

And what is the spirit of the class-room exercise? Among all the statements available none seems more in keeping with Hitler's sacred text and more authoritative than those of Hans Schemm, leader in the National Socialist Teachers Union and Bavarian Minister of Education. What is it that inspires teachers and pupils? "It is the consciousness that a Lord God lives in heaven, that this Lord God has sent Adolf Hitler to us, that he has allowed us the grace to become a people again." And how will teachers train the youth? "We will, Adolf Hitler, so train the German youth that they will grow up in your world of ideas, in your purposes, and in the direction set by your will. That is pledged to you by the whole German system of education from the common school to the university." That is enough, for "the dear Lord does not ask: 'What have you learned?' He asks: 'What have you lived?'"

The spirit of class-room procedure is illustrated in other ways. Physical activity is exalted above mere "learning." Corporal punishment has been restored in the schools. Much time is given to Nazi celebrations, parades, salutes, and songs. Religious instruction is often devoted to praises of Hitler as heaven sent. Writing late in 1934, Vivian Ogilvie, a teacher with wide experience in Germany, stated: "Up to now the religion lessons in the schools of which I have direct knowledge have consisted for the most part of talks about Herr Hitler and the glories of Germany. Children themselves told me that the teacher had said in the religion lesson that Hitler was the second Jesus, but greater than the first, because he had not only one Power but the whole

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world against him. They were told that he once nearly lost his sight and it was miraculously restored. . . . The new headmaster addressed the school and said that Hitler had been sent by God to the German people and that he had been sent to the school by God through Hitler."[10] Every week the children have a patriotic hour "devoted to the Treaty of Versailles, to the crimes of the Allies, the Jews, and the Communists, and to the great Germans. . . . Barbarossa, Frederick the Great, Bismarck" and Schlageter, who was shot by the French for causing an explosion in the Ruhr.[11]

V

With respect to the principles controlling the admission, promotion, and governance of students, there has been some chaos in the Nazi system since 1933, but certain tendencies are fairly clear. Soon after the inauguration of the Hitler régime Nazi students, who had already started disturbances in universities and displayed contempt for the learning of the professors, began to drive socialist and Jewish students out of academic halls. What force began law has sealed. While education is universal at the bottom, admission to the institutions of higher learning is in effect a party affair and closely restricted. Before they are admitted, students must spend a season in a labor camp, win the approval of local Youth Leaders, and receive the stamp, "politically reliable." Even then they are not sure of advancement to the university, for the total number admitted is arbitrarily limited.

In the spring of 1934, the number of students who passed examinations entitling them to enter universities was 39,579. The number to be admitted was fixed at 15,000. Of this number 8,000 males and 1,000 females were accepted in labor camps by way of preparation, and less than one half of the 9,000 finally entered universities, either because the Nazi tests were too severe or camp life was too attractive.[12] Under the application of such tests the number of new students in the summer semester of 1935 dropped to 7,000, as against 20,000 in the same semester of 1932; and the total enrollment in that semester stood at about 70,000 as against 130,000 in the summer of 1933.[13] After they are ad-

[10] *Education under Hitler* (London, 1934), p. 6.
[11] *Ibid.*, p. 9.
[12] *New York Times*, September 23, 1934.
[13] *New York Times*, September 21, 1935.

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mitted to the institutions of higher learning and have completed their academic work, students cannot proceed to habilitation as a doctor or receive the licentiate for a profession until they have demonstrated their "Aryan" purity, passed the examinations, and received the approval of the state ministry of education.[14]

Perfect regimentation thus characterizes all student life. The way to the university and careers is not open to talents on the basis of intellectual powers and attainments. No student can advance in learning without receiving the approval of Youth Leaders and Nazi party officials.

With increasing discipline in the State scheme has come a decline in the independence of private institutions. In fact nearly all, if not all, special and independent institutions of a liberal or experimental nature have been abolished or subdued. If for the sake of appearances an institution with an international reputation such as the *Hochschule für Politik* in Berlin has been permitted to retain a nominal existence, its staff has been brought "into line." Where Catholic schools are allowed, their teachings are subjected to close supervision for correctness in Nazi doctrines. In short, private and experimental work in education is dead in Germany — the old home of pedagogical luxuries.

VI

It would be easy at the close of this review to make many criticisms of the German system of education in terms of the liberal tradition, but it seems more to the point to consider its historical setting and promise. Every system of education, like all human institutions, is enclosed in history, is a phase of all culture in evolution. It does not spring suddenly, full-blown, out of nothing, and function apart from economy, arms, and the arts. Its significance must be sought not merely in its forms and spirit, but also in its relations with the rest of society and the world of nations — past and present.

If, as enthusiastic Nazis declare, the accession of the Hitler party to power was the greatest event in two thousand years, it did not mark a complete break with German history by any means. The worship of force, reverence for the Army and the military mind, contempt for liberalism and democracy, and love of prostration before power were all part and parcel of German respectability before the outbreak of the World War. Despite the

[14] *Amtsblatt des Reichs- und Preussischen Ministeriums*, January 5, 1935, pp. 12–13.

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tradition of *Lehr- und Lernfreiheit*, there had been politics in German education in the Hohenzollern era. Educational ministries showed preference for the savant who, besides being a scientific light, was "politically safe" and could deliver a glowing address on the Kaiser's birthday. The school system was then so organized as to steer most of the children of the people into vocations, and make difficult the path to the university.

Nearly every element in the Nazi body of doctrines was deeply embedded in the pre-war order. A single example may be cited. While Jews enjoyed a high degree of equality before the law, the creed of the German race was widely accepted and celebrated. After Napoleon overran Germany, the builders of the new Germany sought a better future in the past — in the primitive forests of the Fatherland. This conception of race purity and grandeur spread throughout German thought and was carried over into England, where Freeman, Green, and the Teutonist historians "discovered" the origins of liberty and parliamentary government in "the forests of Germany." From Germany and England the creed was taken to the United States. It long dominated historiography in Johns Hopkins University. It received solemn decoration from Professor John William Burgess of Columbia University in essay and treatise glorifying the Teutonic race as the race with a mission to build "National States" and to spread liberty, order, and civilization throughout the backward places of the earth. Freeman, Green, and Burgess preached the creed. The National Socialists in Germany have elaborated it, carried it to a logical conclusion, forced German pedagogues to teach it, and sought to make every German believe it. That which was once merely taught as "the truth" is now rammed down the throats of German children by the drill sergeant.

What will come out of education in the Third Reich? The answer to that question is bound up, of course, in the fate of all German economy and foreign policy, and few will be bold enough to declare that fate now. Yet there is no doubt about the tendencies of education in Hitler's State. For faith in independent research, frank consideration of conflicting views, open discussion, judicial temper, the things which mark liberal education, the Nazi system substitutes contempt for all these values. It scorns independent research, save in some branches of natural science. It suppresses conflicting views. It despises open discussion as effete, the judicial temper as a sign of weakness. Its purpose is to turn

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out a generation of youth drilled in party doctrines and objectives, ignorant of all other considerations, contemptuous of other races and peoples, equipped with powerful bodies and narrow minds for the work of the State — especially its supreme work, war.

As the years pass this iron discipline gains in effect. There has been some resistance from children and parents belonging to certain political and religious groups to the system of regimentation. But as this generation passes resistance may be expected to diminish. If the Hitler régime continues for several years, the German people will be a people almost totally ignorant of the outside world and indifferent to all ideas and interests not contained in the Nazi creed. It is difficult to see how opposing ideas can make any headway in Germany against this system, unless there is an economic crash or a disrupting war. In fact the scheme of education, coupled with other propaganda, is designed to prepare the German people for hunger and misery and to glorify privation in the interest of Hitler's State. The whole case is summed up in the formula: "We can do without butter, but we cannot do without cannon."

Besides bringing up a generation predisposed to war and prepared to serve the military State when it is ready to strike, Nazi education shuts Germany off from intellectual intercourse with other nations. With independence of research and thought destroyed in German universities, students who once flocked there by the hundreds turn elsewhere. Except for branches specifically physical and mathematical, German science sinks toward the level of partisan charlatanry. German learned publications which once circulated throughout the world have dropped in quality and lost the respect that they formerly commanded. Nor do German students, apart from the exiles, expect to find a friendly reception in other countries or to derive advantages from study abroad. Turned in upon themselves, nourishing deep resentments, and lashed to fury by a militant system of education, the German people are conditioned for that day when Hitler, his technicians, and the army, are ready and are reasonably sure of the prospects of success in a sudden and devastating attack, East or West. To cherish any other conception of Hitler's State or of the aims of German education is to cherish a delusion.

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THE INTERNATIONAL BANK AND ITS FUTURE

By Leon Fraser

A MEMBER of the Young Committee of 1929, which recommended the creation of a Bank for International Settlements, was asked what the Bank was going to do. "I don't know," he replied. "The important fact is that it exists. Unforeseen opportunities for service in the field of international finance will come to it as time unfolds. The conception is sound; the need is real; only the long future can answer your query."

In some measure this reply holds good today, for the Bank's greatest possibility of usefulness still lies ahead. While its past has been active and fruitful, any continuous, constructive development was necessarily arrested by the outbreak, in the Bank's very infancy, of a world-wide financial crisis. This exercised a cramping effect upon international relations generally, and upon all organizations designed to facilitate them. Yet the six years that have elapsed since the Bank was opened have indicated the direction in which it is to grow and the objects which it must serve. Americans have a primary interest in certain of those objects. It therefore may be opportune to review briefly the purposes for which the institution was created and its record to date in endeavoring to carry out those purposes; and also to state the fundamental task of high import which the Bank is prepared to undertake — a task which it can probably fulfill with beneficent results to all countries, and especially to ours, if (and perhaps only if) the American monetary authorities determine to take advantage of its facilities, which are at their command.

When the Young Committee gave their reasons for constituting a new banking institution of an international character — a proposal by no means novel — they pointed out that the reparation problem on which they were working was primarily financial in its nature and involved the performance of banking functions at several points in the sequence between Germany's initial payments of the proposed annuities and the final distribution of the funds to the receiving Powers. It seemed to them logical, then, that this financial administration be confided to a non-political organization to be created under international sanction, and in-

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cidentally empowered to carry out other functions helpful to the world's financial well-being. The Committee said:

> In the natural course of development, it is to be expected that the Bank will in time become an organization, not simply, or even predominantly, concerned with the handling of reparations, but also with furnishing to the world of international commerce and finance important facilities hitherto lacking. Especially it is to be hoped that it will become an increasingly close and valuable link in the coöperation of Central Banking institutions generally — a coöperation essential to the continuing stability of the world's credit structure.

The truth may now be told. There was no imperative need to constitute a bank with a capital of 500,000,000 gold Swiss francs to be guided by a large Board of Directors, made up of all the Governors of the leading central banks of the world and of outstanding personalities appointed by them, who were directed to abandon their normal posts in order to meet at the seat of the Bank "at least ten times a year" — all for the mere purpose of receiving and distributing the expected German annuities. Far larger payments than those contemplated had been regularly received and efficiently distributed by the Agent General for Reparation Payments, operating through a compact and economical organization. The truth was that the experts seized the occasion of the new reparation adjustment as an excuse to repair a long recognized gap in the international financial fabric. The organization which they proposed had functions not connected with reparations, and these ostensibly secondary functions were, in the inner consciousness of the originators, the predominating motives for its establishment. By some of the members — in particular those connected with commercial banking — the institution was envisaged as an instrument for opening up new fields of world trade by means of fresh extensions of credit. The German experts were especially favorable to this conception, because an increasing world commerce and more abundant credit would tend to lighten the reparation burden; whereas, if the Bank did not in fact contribute to such expansion, that eventuality would offer a basis which Germany could seize upon to reopen the reparation agreements, which she at no time considered just. While there was no unanimity about the opportuneness of creating more credit, all the experts agreed that the Bank could fill one obvious hiatus in the financial organization of the world, namely provide a center for central bank collaboration and for coöperation to improve the international monetary mechanism.

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So it was that when the statutes of the institution came to be drafted in Baden-Baden the reparation functions were frankly relegated to second place. Article 3 stated:

> The objects of the Bank are: to promote the coöperation of central banks and to provide additional facilities for international financial operations; and to act as trustee or agent in regard to international financial settlements entrusted to it under agreements with the parties concerned.

The statutes, which gave the Bank wide banking powers, but expressly forbade the issue of currency or the granting of any loans to governments, and precluded any participation of governments in the direction of the institution, were made international law by The Hague Treaties of 1930, and Swiss municipal law by an act of the Swiss Parliament in the same year. In each case unprecedented immunities from expropriation or seizure in times of peace or war were extended to the property and assets of the Bank, as well as to the deposits or gold entrusted to it. While formally created by governments, the institution was in fact a creature of central banks, because some twenty-four national banks of issue acquired nearly all its capital stock or exercised the shareholders' voting rights, and because the Governors of the central banks of the major countries were *ex officio* permanent members of the Board of Directors. The divorcement from diplomatic interference or government domination was complete. This independence gave the Bank freedom to deal with monetary and financial questions on their own intrinsic merits. In the same manner that politics were successfully excluded from the Bank's management, so, too, the Bank followed the usual custom of central banks by indulging in the least possible publicity. The absence of a press representative and the rather uncommunicative nature of the rare communiqués were the despair of journalists. Though in many respects this was highly useful, it also goes to explain, perhaps, why many popular errors about the institution prevail today. For example, in the United States it is erroneously imagined that the Bank had responsibilities, or major functions, in connection with the payment (or non-payment) of the war debts to America; or that it was only a reparation vehicle; or that there was some kind of organic affiliation between it and the League of Nations; or that participation in the Board of Directors on the part of the American monetary authorities, in order to maintain contact between the central banks and to benefit from the resultant exchange of information and counsel, might embroil

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us in European diplomacy. Everyone of these ideas is illusory. The Bank at Basle has no affiliation with the League of Nations or with any governmental organization; at no time was it charged with the collection, much less the payment, or the "international settlement," of the war debts to America — a transfer problem upon which its attitude was always one of scientific objectivity; at no time has it permitted its deliberations or action to pass the proper scope of business and banking operations, nor has it at any time dabbled in diplomacy. The erstwhile reparation functions have long fallen into desuetude, and the revival of them, even on some attenuated scale, seems remote indeed.

What, then, have been the principal activities of the Bank, and whither is it tending today? Let us first summarize the reparation work. The institution opened May 17, 1930. One of its early corporate acts was to execute an agreement with the Creditor Powers pursuant to which it was to receive the graduated annuities payable by Germany in an average amount of 2,000,000,000 Reichsmarks, and distribute them according to an agreed schedule among the respective Powers. The Bank, as agent for certain Powers, was to "mobilize," as opportunity offered, some portions of the annuity — that is to say, float public loans to be served and amortized by the annuity income. In June 1930 the German Government International 5½ percent Loan was placed upon nine national markets, the Bank acting as Trustee for the bondholders. The Bank also became fiscal agent for the trustees of the Dawes Loan and took over from the Agent General for Reparation Payments the funds remaining in his hands, as well as the fiscal management of "deliveries in kind," a system under which Germany met a part of its obligations by the delivery of commodities or the installation of public works. As compensation for services and as an inducement to secure subscriptions for the Bank's cumulative 6 percent capital stock, the Creditor Powers and Germany agreed to maintain "minimum deposits," without interest, equalling 230,000,000 Swiss gold francs. In addition, the Powers usually left with the Bank, at interest, part of the reparation funds received each month until such time as they were required to be withdrawn for their own interlocking war debt disbursements, or for payments to the United States.

A year had barely elapsed, during which the reparation machinery operated without a creak, before the catastrophic conditions which developed in Germany and Central Europe were pub-

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licly disclosed — and indeed accelerated — through the Hoover moratorium proposal of June 20, 1931. This in effect advised the suspension of the transfer of the German annuities (except so much thereof as was required for the service of outstanding international loans), and the postponement of all inter-governmental debts for a period of twelve months. Paradoxically enough, the Bank's greatest helpfulness in the reparation field began precisely when the payments were interrupted by economic events. Thanks to its business organization and its impartial attitude, it was able to serve as the focus for the international deliberations which ensued but which would have marched haltingly under the customary diplomatic procedure. A series of meetings at Basle quickly produced the first "Standstill Agreement" concerning the maintenance of short term bank credits in Germany, and the report of the Advisory Committee provided for by the Young Plan against the contingency of transfer difficulties. The Committee, emboldened by the growing chaos, went beyond its limited formal powers and recommended in substance a reconsideration of the whole reparation problem. "Inspired," it said, "by the principles laid down in the report of the Committee convoked by the Bank for International Settlements," the Lausanne Agreement of July 1932 brought an historic epoch to a close by the abrogation of practically all of the existing agreements concerning reparation payments, and by prolonging, in fact indefinitely, the provisions for suspension of transfer which were the outcome of the Hoover proposal. In consequence, the Bank received for only approximately a year of its existence the anticipated reparation payments; and its principal efforts in that connection related to their orderly interment. While the Lausanne Agreement did propose a mild substitute for the indemnity régime, and, of course, insisted upon the continued full service of all loans in the hands of the public, the German Government later determined (unfortunately for its good credit), to permit both the Dawes and Young loans to go into partial default and to effect their amended service outside of the Trustees. This final débâcle left the Bank without any vestiges of its reparation inheritance, except the non-interest-bearing minimum deposits which the governments had contracted to maintain and which continue to assure the institution's financial independence.

Long prior to these events, and indeed from the first moment of the Bank's existence, the management had pursued a conscious

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policy of subordinating its functions in connection with reparations to the more constructive tasks of promoting central bank coöperation and of providing new financial facilities. This work fell into three chronological periods, marked each by a different emphasis. The first period, that of organization and experimentation in new methods of central bank collaboration, terminated almost simultaneously with the crash of the Austrian Kredit-Anstalt in May 1931. The second, that of supplying emergency help and of adaptation to a rapidly changing world, opened with the advances promptly granted to the Austrian National Bank, and closed during the summer of 1932, when the Bank began publicly to stress the necessity of an improved international monetary standard and outlined the conditions precedent thereto. The third period, that of study and examination as how best the Bank could facilitate the smoother working of a restored monetary mechanism based on gold, began with the preparations for the ill-fated London Monetary and Economic Conference, and is still continuing. Through all three periods, of course, the Bank proceeded with its routine business operations as a central bank of central banks — effecting clearings between them of their foreign exchange payments, receiving, holding and transferring gold, and granting seasonal credits to various banks of issue. Deposits from private banks or from individuals were never accepted, firstly, to avoid competition with existing private institutions, and secondly, to discourage efforts at hoarding.

During the first formative year the Bank had many aims in the monetary field. It endeavored, for example, to secure the concentration with it of the foreign exchange reserves of central banks. The aim here was to correct one of the worst evils of the "gold exchange standard," and to bring about the gradual establishment of what would amount to an International Foreign Exchange Equalization Fund, to regulate the international exchanges in somewhat the same way (though with broader objectives) that some national exchanges are now regulated by national stabilization funds. The Gold Exchange Standard — propagated, but not invented, at Cannes — had the great demerit of stimulating the pyramiding of credit and was one of the many factors contributing to the financial crisis. Perceiving this danger, and that it could be avoided by keeping these balances concentrated with central banks, where credit creation could be avoided or controlled, the Bank acquired about 1,000,000,000 Swiss francs

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(at the peak) of these reserves. It was preparing to use them, together with its paid-in capital and long term deposits, as an exchange stabilization fund, when forces supervened which were too powerful to be offset by such relatively feeble weapons.

But the threat presented by the uncontrolled short term balances of central banks was not the only fault in the international monetary situation which the Bank observed, and against which it raised storm signals before the collapse came. Essential to the coöperation of central banks is the procurement of factual data, the analysis of the economic and financial facts found, the exchange of information, and consultation as to the steps which may be usefully taken when symptoms of danger appear. Although the machinery of collaboration was far from being fully developed, the monthly meetings of the Governors, involving frank discussion of their individual as well as common problems, formed an important point of departure; so that when the fiftieth session was held it was not surprising to observe that more than half the Governors had never missed a single meeting and that the few lapses of the remainder were accounted for by absence from Europe. At an early gathering the Board recognized the danger in the volume of short term balances floating from one market to another, urged the transference of these funds into the intermediate credit field or into long term investments, and recommended a general reduction in interest rates. A committee investigated with some degree of success the intermediate credit possibilities. Another committee suggested the creation of a new, debenture-issuing International Credit Bank with a large capital, to promote the long term investment market and serve as a kind of International Reconstruction Corporation. This suggestion failed of adoption because those expected to supply the new capital (the French in particular) felt that the current of adverse events was flowing so quickly that any such correctives were likely to prove abortive.

Simultaneously with these activities, the Bank was experimenting in making improvements in the technique of business relationships between the central banks — the investment of their funds; the rediscounting by or through the Bank of their bill portfolios expressed in foreign currencies or in their home currency; the clearing of payments between them; the standardization of dealings in gold; and the setting up of the nucleus of a gold settlement fund, by which debits and credits of balances due be-

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tween the banks could be effected by book entries at a common center without the actual shipment of physical gold, the resultant savings in cost to be divided, or all allocated to the common agency, so that the normal spread of the gold points would not be narrowed. Whereas profit was a secondary motive, as is fitting in central banking, the earnings of the institution from its general business operations and from its non-interest bearing deposits were always such that it was able to pay the contemplated dividends and to make substantial appropriations to reserves.

The work of perfecting routine technique, and the effort to aid in the stabilization of the currencies of Jugoslavia and of Spain, were proceeding uninterruptedly at the time of the first annual meeting of the Bank's stockholders in May 1931. This drew to Basle the most extensive and representative assembly of central bankers that had ever gathered in one place. But over the meeting, ostensibly devoted to an examination of the methods and objectives of central bank coöperation, there hung a pall. The difficulties of the Austrian Kredit-Anstalt had just become public property, and the possible dire consequences formed the nervous subject of every conversation. It was fortunate that the Bank existed during the ensuing emergency; for, as in the case of the reparation crisis, it was immediately employed as a center both of information and action.

In rapid succession the Bank was called upon to grant, or to organize central bank syndicates to grant, temporary credits to the national banks of Austria, Hungary, Jugoslavia, Danzig, and to the German Reichsbank, aggregating some 750,000,000 Swiss gold francs. If any central bank, such as the Bank of England or the Banque de France, had acted alone, or as leader, the cry of political purpose or favoritism would have been raised somewhere. It was a virtue of the International Bank that others could act through it without fear of having their motives misunderstood. Never was the solidarity between central banks more clearly demonstrated than by these emergency credits, in which nearly a dozen institutions participated, including the Federal Reserve Bank of New York. All the credits have been repaid in full except one-half of the sum accorded the Bank of Hungary. The advances did not accomplish their primary purpose of creating confidence and stopping the run on Germany and Central Europe; but they achieved their secondary object, that of giving the debtor and creditor markets time to prepare themselves for

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the storm. The ultimate beneficiaries of the loans were the private bankers in London and New York, who continued to withdraw their balances from the danger zone. Whereupon the Bank, seeing the hopelessness of this chain of developments, declined to grant the additional credits requested by certain other central banks.

The wave of distrust then reached London and swept the pound sterling from its gold moorings. The following Monday the central banks throughout the world, most of which still held quantities of sterling, awoke to the realization that the "Gold Exchange Standard" was a misnomer; that, in fact, it was a "foreign currency" standard concealing possibilities of grave financial loss. An embryo run was started on the Bank at Basle, which surrendered over 300,000,000 Swiss gold francs within a few days, because central banks translated their reserves into metallic gold or into another currency considered sound. For this latter purpose some had the misfortune to choose the dollar. The policy of liquidity always followed by the Bank enabled it to meet the withdrawals easily, just as later it met a recurrence of heavy withdrawals when the international gyrations of the dollar commenced. But for an institution directed by its statutes to deal for its own account in currencies on "the gold or gold exchange standard," the secession of sterling, the dollar, and of the many currencies influenced by them, acutely limited upon its field of action. Except for continued operations in the gold bloc currencies, and in other exchanges "for the account of others," the Bank became a sort of international investment trust, husbanding its funds and waiting for a brighter day. But this was only on the material side. As an observation tower from which to survey the changing economic scene, as a center for financial conferences free from the glare of publicity (such, for example, as the regular private meetings of the gold bloc Governors), the Bank grew steadily in importance. A splendid *esprit de corps* developed. Rumors of quarrels might emanate from Geneva, but from Basle, never.

The diminution in the volume of business transactions enabled the management to concentrate its attention upon the question of the future of the monetary standard between nations and the part which the Bank could play in a better working of that mechanism. Despite the abstract allure of "managed currencies," tied to fluctuating price indices or operated by unidentified persons of super-human prescience, the conclusion was reached that at this stage of the world's development a system based on gold

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"remains the best available monetary mechanism and the one best suited to make possible the free flow of world trade and of international financing; it is desirable, therefore, to prepare all the necessary measures for the reëstablishment of the functioning of the gold standard." In publicly expressing this viewpoint, however, the Bank recognized that the gold standard of the past, which in reality was never "automatic," required modifications and in the future would be frankly subject to a greater degree of management than had been acknowledged in the past. "The rules of the game," often referred to but not anywhere tabulated, would have to be clearer and would have to command more general agreement if a stable system were to evolve. With these underlying precepts in mind, appointees of the Bank participated in the Preparatory Commission for the World Monetary Conference. Dr. Trip, now President of the Bank, served as Chairman of that Commission; and several of the Bank's directors took part as delegates in the subsequent London Conference.

It is not realized what a great community of doctrine was reached both upon monetary matters and upon a program, both in the Preparatory Commission and in the committees of the London Conference, where representatives of the sterling area countries, the gold countries, the "gilt" countries, and the (at that time) silver countries all sat together. Most of the proposals accepted emanated from the Bank or were informally endorsed by its Board. The application of any of the resolutions of the Conference was frustrated by the monetary experiments undertaken at that moment by the United States. But those resolutions still form the foundation upon which any enduring international monetary structure seems likely to be based.

The most important resolution prophesied, by implication, a managed gold standard, with conscious control of credit, and having more regard to fluctuations in the purchasing power of money than central banks usually accord. It read as follows:

(1) The proper functioning of the gold standard requires in the first place the adoption by each individual central bank of a policy designed to maintain a fundamental equilibrium in the balance of payments of its country. Gold movements which reflect a lack of such an equilibrium constitute therefore an essential factor in determining central bank policy.

(2) Gold movements so far as they seem to be of a more permanent character should normally not be prevented from making their influence felt both in the country losing gold and in the country receiving gold.

(3) While gold should be allowed freely to flow out of and into the countries

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concerned, central banks should always be prepared to buy gold at a publicly announced fixed price expressed in their currency, and to sell gold at a publicly announced fixed price, expressed in their currency, the latter at least when exchange rates reach gold points.

(4) Central banks should obtain from their markets the fullest possible information concerning the demands that might be made upon their reserves.

(5) Since as already stated under (1) the proper functioning of the gold standard requires in the first place the adoption by each individual central bank of a policy designed to maintain a fundamental equilibrium in the balance of payments of its country, the discretion of each central bank in regulating the working of the gold standard in its own country should remain unimpaired. Central banks should, however, recognize that in addition to their national task they have also to fulfill a task of international character. Their aim should be to coördinate the policy pursued in the various centers in order to contribute towards the satisfactory working of the international gold standard system.

Moreover, they should endeavor to adapt their measures of credit regulation, as far as their domestic position permits, to any tendency towards an undue change in the state of general business activity. An expansion of general business activity of a kind which clearly cannot be permanently maintained, should lead central banks to introduce a bias towards credit restriction into the credit policy which they think fit to adopt, having regard to internal conditions in their own countries. On the other hand, an undue decline in general business activity in the world at large should lead them to introduce a bias towards relaxation.

In pursuing such a policy the central banks will have done what is in their power to reduce fluctuations in business activity and thereby also undue fluctuations in the purchasing power of gold.

(6) With a view to arriving at an agreed interpretation of the data revealing the tendency of developments in general business activity, and an agreed policy, central banks should consult together continuously, each central bank in case of difference of opinion, acting on its own judgment of the situation. The Bank for International Settlements constitutes an essential agency for central bank action designed to harmonize conflicting views and for joint consultation. This instrument should continue to be employed, as far as possible, for the realization of the principles set forth. It should continuously examine the application of the principles of the working of the gold standard and study such modifications thereof as experience may prove desirable.

No such program (and no other program) for a restored monetary mechanism, so vital to the restoration of the American export business and to the repayment of American investments abroad, can successfully work without some collaboration between central banks and other financial authorities, including our own. The isolated action of one may unintentionally checkmate the action of the other, to the injury of both. To bring order into the monetary chaos is the prime objective of the Bank

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today; to contribute to the maintenance of such order is its prime objective for tomorrow. Many idealistic projects have been conjured up for it. One such is that it should issue an international currency — an ancient aspiration like that for an international army. It requires for realization much more internationalism in the economic field and more pacification in the political field than is visible upon the horizon. Another is that all the world's gold should be concentrated at the Bank — a sensible conception, unanswerable in logic, but running head-on against the human factors of nationalism and tradition. Still another is that the Bank should be made a super-bank, beneficently guiding and controlling the various national central banks, a proposal as realizable in practice as that of an omnipotent super-state.

Instead, the Bank will work and continue to function as a center for counsel and coöperation. It will be at the heart of any restored financial mechanism. It will endeavor to advance the principles of the resolution quoted. It will serve as a rediscount bank for central banks, as the Federal Reserve System does for private banks in the United States. It will hold the foreign exchange reserves of central banks, and clear for them. It will be the custodian of some portions of the metallic gold, and simplify its transfer. It will be a gatherer and disseminator of economic data upon which judgments can be reached. It will be an instrument for facilitating the normal, new international flow of capital, so necessary to natural growth. It will grant seasonal credits to small banks and may well serve as a medium for the redistribution of some share of the world's gold through advances, at longer term, from the greater central banks. And it may well operate an international exchange equalization fund. Above all, the continuous personal contacts at Basle of financial leaders from the various countries will afford some hope of a gradual improvement in international financial relations, without which internal economic advance cannot be realized to the full.

As the United States has an immediate interest in such improvement, and in the aim of currency stabilization to which the Bank is committed, our advantage would be served, without any curtailment of our independence, if the American monetary authorities were to occupy the two seats reserved for them on the Board of Directors, the non-political character of which has been proved and which will have an increasing opportunity for usefulness as time unfolds. "The conception is sound; the need is real."

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GERMANY'S EXPERIENCE WITH CLEARING AGREEMENTS

By Karl Ritter

IN 1934 the Assembly of the League voted to form a committee "to arrange for an enquiry concerning the causes, scope, methods, and results of compensation and clearing agreements." This committee was composed of competent experts of international reputation. On its own motion the committee "restricted its observations to the causes and results of these clearing agreements and to the possibility of abolishing them or of correcting their defects." Their report, published in March 1935, is excellent, as indeed is almost all the technical work done by the League of Nations. Anyone who has had practical experience with clearing agreements will agree that the report summarizes all important points of view and, in general, draws the correct conclusions from them.

If I venture here to contribute something to this theme it is only because Germany has concluded more clearing agreements and has, unfortunately, had more experience with them than any other country. For this reason Germany offers not only an excellent example of the tendencies which have caused the conclusion of such agreements but a clear picture of their results on international trade.

I should like to preface my remarks by citing a few illuminating statements from the report of the League committee. Their clarity and objectivity serve admirably to illustrate the characteristics of Germany's experience. The first relevant statement connects clearing arrangements to exchange controls, and these in turn to disorders in international trade:

> The establishment of clearing agreements arose out of conditions created by the institution of exchange control. . . . Exchange control is only one form of defense against the effects of the general depression on countries whose economic and financial structure was especially vulnerable. The heavy fall in prices and the paralysis of international credit could not fail, in the absence of the regulating influence of the movement of capital, to give rise to a grave disturbance of the currents of international trade.

The report then touches on the question as to whether the creditor countries might not have adopted a policy more appropriate to the conditions with which they were faced. The con-

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clusion of clearing agreements, the committee reported, in itself gives rise to a situation in which the orders of a weak-currency country tend to flow towards those states with which it has clearing relations, to the prejudice of third countries. The report then goes to the heart of the problem by stating that —

> creditor countries possessing ample financial resources are called upon to play a highly important part in restoring economic equilibrium. It is essential that these countries, realizing that others in monetary difficulties are at once their clients and their debtors, should, when concluding agreements, display greater breadth of mind and not confine themselves to endeavoring to liquidate their claims; they should bear in mind the economic interdependence which, whether they like it or not, actually exists between the fate of both classes of countries. . . . So long as a creditor country is not prepared to develop and to maintain an unfavorable balance of trade, or at least to compensate a favorable balance by "invisible" imports, no international monetary system can operate successfully.

The committee concluded its report by stating that it regards

> the restoration of an international monetary standard, with the conditions of commercial freedom essential to its normal operation, as the most effective safeguard against disturbing action being taken as regards either dealings in foreign exchange or international agreements for the settlement of payments.

I would beg the reader to bear in mind these general truths from the report of the committee when we proceed to examine the special causes and effects of the German clearing system. For this purpose we must go back to the year 1931. Germany's foreign indebtedness amounted at that time to around 26 billions of Reichsmarks. Of this sum about 15 billions were short-term credits and about 11 billions long-term credits. There had been nothing secret about the way these debts arose. The figures were published year by year. Every foreign lender was aware of the situation when he gave Germany credit. The gold and foreign currency reserve of the Reichsbank amounted at that time to about 3 billion Rm. The first impulse towards the clearing agreements was given in 1931 when Germany's foreign creditors, and especially those in the United States, began to call in their claims on Germany at an ever-increasing rate. Whatever may have been their reasons for this procedure — an examination of this question would only have an academic interest today, and in any case it was not in Germany's power to remove these reasons — in view of the state of Reparations (Young Plan) and of the statistics on the Reichsbank's short-term debts and gold and foreign currency

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reserve, the creditors must have been well aware that not all of them could be satisfied in full. It was a simple matter of arithmetic to find out how many of the foreign claims could be satisfied a hundred percent in foreign exchange and how many would have to remain a hundred percent unsatisfied as regards transfer. It should have been clear to everybody that this method would inevitably lead to transfer limitations and, after the exhaustion of transfer possibilities, to a complete transfer moratorium. All the same, or perhaps for that very reason, the foreign creditors vied with one another in calling in their claims, until the German gold and foreign currency reserve had shrunk to a minimum. That Germany's foreign assets could not make any decisive contribution to the solution of the transfer problem must be clear to anyone familiar with the origin and the nature of these assets as well as with Germany's general situation. The Basle Committee, set up in 1931 in London to examine Germany's credit situation, reported: "The Committee is not of opinion that a plan based upon the mobilization of Germany's assets abroad is practicable."

These experiences of Germany with her foreign creditors and vice versa ought to be remembered by future creditors and debtors, if we may be permitted to assume that coming generations are willing to learn from the past. But it is probably asking too much of creditors that the individual should subordinate his own particular interest to the common interest of all the creditors. For this reason it would probably have been better for the creditors as a body if the debtor, Germany, had from the very beginning decided to stop transfers entirely while her reserve of gold and foreign currency was still intact, in order to liquidate the short-term foreign debts and the interest and amortization on the long-term foreign debts after a reasonable and just agreement with all her creditors. But of course an honest debtor will be very reluctant to make such a decision unless he sees no other way out. It is an old bankers' rule that when there is a run on the bank it is the best policy to go on paying out in the hope that the customers will quiet down when they see that they are being paid. In accordance with this rule Germany went on transferring all the credits called in, month after month, in 1931; but the foreign creditors continued to withdraw. In this case, then, the bankers' rule failed. Germany therefore had to adopt other methods, and was forced step by step to resort to restrictions. Then came the foreign exchange control; the regulation of the short-term foreign

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debts by annually renewed standstill agreements; the gradual limitation of transfers in respect to amortization and interest on long-term foreign debts; and in the middle of 1933 the complete transfer moratorium. This was the second decisive step towards clearing. Up till then trade in commodities had been kept free from transfer restrictions. The creation of a new commercial indebtedness, the evasion of the transfer moratorium, and the increasing shortage of foreign exchange, gradually and inevitably led to an ever increasing interference with transfers connected with the importation of goods. The road from the limitation of transfer on commercial claims to the clearing system was short.

The motives and methods for the conclusion of clearing agreements were not the same in the case of all the countries concerned. There are two distinct groups. To the first group belong the countries which had themselves introduced exchange control and transfer limitations before Germany or at about the same time. At first these countries continued to accept in payment of their exports to Germany the mediums of payment offered by her, either Reichsmarks or foreign exchange. They themselves, however, released foreign exchange for the payment of German exports only as they considered these imports to be necessary and in accordance with their other transfer obligations. The result was that a rapidly accumulating amount of German commercial claims in these countries remained unpaid. The "frozen" German commercial claims increased in a few months to nearly one billion Reichsmarks. Germany, with her own shortage of foreign exchange, her own financial foreign obligations, and her requirements of foreign raw materials, evidently could not sit by and watch such a development with folded arms. She had to insist on receiving payment for her own exports either in money or in kind. Thus the first clearing agreements came about, on the initiative of Germany, with the countries which themselves controlled their foreign exchange. Among them were countries to the east and north of Germany. To this first group of countries were added later a few countries in South America and in Asia which in the course of time had also been compelled to introduce control of the flow of foreign exchange.

Whenever in this article the expression "clearing agreement" is used, the word "clearing" should be interpreted broadly. The form of these agreements was various. In some cases they were concluded not between the governments, but between the banks

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of issue. In some cases they contained a real clearing in the narrow sense; in others they were payment agreements of a more elastic nature. Some aimed at a balancing of commercial claims only, while others included the regulation of financial obligations as well. Some of them have reserved a foreign currency margin in Germany's favor which is at the free disposal of the Reichsbank; others provide a balance on the ratio of one to one. But all these variations really refer to the technical methods. The effect on international trade is the same in all cases.

The second group of countries is composed of those which could afford an unchecked flow of their foreign exchange, such, for example, as Switzerland, France, England, Holland, Belgium, Sweden, etc. These countries had in common that not only were they financial creditors of Germany but that in every case their trade balances, and in most cases their balances of payment also, were passive in respect to Germany. These countries have one by one confronted Germany with the following alternative: either she must consent to bilateral clearing agreements which will satisfy the financial as well as the commercial claims of these countries; or, if she refuses to do this, they will adopt unilateral clearing measures for the same purpose. The decision which this alternative presented to the German Government was difficult and of far-reaching importance, not only for Germany but also for the other countries and for international trade. After mature consideration the German Government decided to give way to the pressure exerted upon it and agreed to a bilateral clearing.

It is easy to see why Germany should have hesitated. The principal objection was that the countries in question wanted to secure, by means of a clearing, a preferential position for their financial and commercial claims as against the equal treatment which Germany intended to mete out to all foreign claims and had actually meted out by means of exchange control and the transfer moratorium. Of course the German Government foresaw that other countries would reproach Germany with discriminating, or at least with coöperating, in a compulsory discrimination. But what would have happened if Germany, to escape this reproach, had rejected bilateral agreements? The countries in question — as was conclusively proved by the negotiations — would then have put into effect the unilateral clearing measures which they had announced. Their claims would thus have received preferential treatment in any case, only this preferential treatment would

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have been still more pronounced in the event of a conflict — and Germany's refusal would have meant a conflict. Unilateral clearing measures would have had an even worse result for Germany and thus, indirectly, for the other creditors. International trade would have been seriously disturbed in the event of a conflict. To be sure, Germany would have been spared the reproach of having coöperated in the discrimination. But discrimination there would have been, even more pronounced and more damaging to all the other countries and creditors than it now is. It is easy to reproach the debtor afterwards for having yielded to the pressure of a section of the creditors. But it would be more just to complain of the lack of solidarity among the creditors themselves. The case of the Young Loan illustrates this fact very clearly. The general bond for the Young Loan, which obliges Germany to treat all creditors on a basis of equality, was drafted and approved by the creditors. It is part of the international agreements which were concluded at that time. The equal treatment of all creditors was not only imposed upon the debtor, but was negotiated by the creditors. Yet a section of the creditors has repudiated this obligation and exploited the strong position resulting from their trade balances in order to secure for themselves preferential treatment as against the other holders of Young Bonds.

In the course of time Germany has concluded about thirty clearing agreements with these two groups of creditors.[1] What has been their effect upon Germany's foreign trade and upon international trade? The first effect was surprising for all parties. Germany's active balance of trade with a number of other countries, and especially those on the European continent, began to shrink more and more. Although this development was partially determined by other causes, especially by the import restrictions of the countries in question, there can be no doubt that the clearing agreements themselves were at first responsible for this tendency, in some cases at any rate. The report of the League committee very properly confirms this fact. Once again it was evident that the best-informed experts are hardly in a position to foresee even the immediate and most direct effects of state intervention in the natural developments of trade and industry. The more remote and indirect effects are quite beyond human foresight. The causes

[1] The list of countries given in Annex III of the committee's report is no longer complete. A number of new clearing agreements have since been concluded, *e.g.* with Argentina, Brazil, Estonia, Iran, Poland, Portugal, South Africa and Turkey.

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of Germany's vanishing active trade balance were of course recognized afterwards. The German manufacturer as a result of exchange control was no longer at liberty to procure his raw materials where he wished; the German merchant was no longer free to buy in all countries the finished goods in which he dealt. Both naturally jumped at the openings left by the clearing agreements for supply and payment. Goods which they formerly procured elsewhere were now ordered from those countries with which clearing agreements had been concluded. Even raw materials produced by third countries were thus procured through the clearing system. To cite one particularly grotesque example: under the clearing system Germany bought up a large part of the wool production of a country which had never been a wool-exporting country and which was thus compelled to import wool from other countries to cover its own requirements. Of course neither the German nor the other government involved intended nor desired this procedure.

To some extent these were merely the initial defects of the clearing system, which could have been eliminated. So long as there were clearing agreements with a few countries only, the German importers naturally concentrated on these countries. As the clearing agreements were extended to other countries, the purchases of the importers were again spread more evenly. Furthermore, such phenomena as those mentioned, which were in the interests of neither party, were corrected by special agreements defining what goods could be bought under the clearing system and in what quantities. But irrespective of these initial defects the active balance of trade between Germany and a number of countries continued to show, and still shows, a strong tendency to decline. The explanation is that the importation of goods from these countries is shifting more and more from finished goods to half-finished goods and raw materials. Consequently, the possibilities of buying from these countries are being exploited more and more.

This brings us to one of the most important points in the problem. Must the clearing system be called a failure on account of this new trend of trade? Perhaps this question must be answered differently for different countries. As far as Germany's position in international trade is concerned, we can say that this development has not been a failure. On the contrary, the clearing agreements have given her the possibility of maintaining her

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supply of foreign raw materials and half-finished goods in such a way that the great and complicated machinery of German production could on the whole continue to function undisturbed. The fact that Germany's trade balance with a few countries shows a less active trend merely demonstrates that more raw materials and half-finished goods have been bought from these countries than formerly. To be sure, this phase of the trend of trade has been very effectively supported by another parallel development. Prior to the genesis of the clearing system, Germany's imports of raw materials in general continued to come from those producing countries with whom German industry had been accustomed by tradition to trade. The lack of foreign exchange inevitably compelled the German importer to exploit more strongly the possibilities of trade with the newer raw-material countries which the clearing agreements had opened up. This new development of trade was facilitated by the fact that these newer raw material countries were prepared to buy more German commodities in order to balance their clearing accounts. That the anxiety occasionally felt in Germany lest the shortage of foreign exchange result in a dearth of foreign raw materials and a paralysis of German industry has proved unjustified is principally due — apart from the adaptability, the inventiveness, and the discipline of German trade and industry — to the new trade possibilities opened up by the clearing system. I have no doubt that, in view of the existing world conditions with regard to currencies, debts, credit, and commercial policy, German trade and industry would not have been able to reach and maintain their present momentum without the clearing agreements. This favorable effect of the clearing system is not limited to Germany; the numerous countries which have been able to increase their exchange of commodities with Germany under that system have also profited from it. The statistics relating to this are interesting, not only as far as Germany is concerned but from the standpoint of international trade. As regards the supply of raw materials for Germany, and the development of trade with the raw-material countries in question, I therefore do not come to so unfavorable an opinion of the clearing system as that given by the League committee.

It must be admitted that as a result of the conclusion of more and more clearing agreements, an increasing part of what Germany receives for her exports is tied up for the special purposes

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of the clearing. The foreign-currency receipts which can be freely disposed of thus become ever smaller. Today they have been reduced to an amount which seems ridiculously small when compared with the volume and importance of Germany's trade and industry. This is certainly by no means satisfactory. But the decisive question is: Would the situation be better today if clearing agreements had not been concluded? It certainly would not. Those countries which themselves have exchange control would, without these agreements, have disposed as they wished of the payments due to Germany for her exports and would certainly not have released them; nor would they have applied so much of them towards the payment of the raw materials required by Germany as was provided in the clearing agreements. As regards the second group of countries (those which afford an unchecked flow of their foreign exchange) I have already made it clear what would have been the result if Germany had not yielded to their pressure. Though the clearing agreements have not increased Germany's accessible foreign-currency receipts they have permitted her to maintain her supply of foreign raw materials. Incidentally, even the decreased receipts of foreign currency which can be freely disposed of have left Germany enough margin to allot sufficient foreign exchange for imports from countries with which no clearing arrangements exist, leaving these countries no cause to complain of discrimination. To give one instance: Germany was able during the first ten months of 1935 to allot three times as much foreign exchange for the payment of imports from the United States as she herself had received in dollars for her exports to that country.

So far as Germany's position in international trade is concerned, even though I come to a somewhat more favorable conclusion than the committee, I nevertheless thoroughly agree that the clearing system can be regarded as only a "makeshift involving a number of drawbacks, and that it should therefore be abolished as soon as possible." This is not merely the personal opinion of one who has had a good deal of practical experience with commercial politics; it is the opinion of the leading statesmen in Germany. The German Chancellor emphatically voiced this opinion in his proclamation of September 11, 1935, when he characterized the system of barter as nothing less than prehistoric and expressed the hope that it would be replaced by a free and modern trade system as soon as possible. The President

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of the Reichsbank and Acting Minister for Economic Affairs declared equally emphatically that the whole system of foreign trade which circumstances had forced upon Germany was something abominable. To these two statements could be added any number of similar remarks by German officials and business men. It is *communis opinio* in Germany that the clearing system should be abolished as soon as possible.

What are the chances of this in the near future? The Geneva committee deserves special credit for having examined carefully and stated clearly the prerequisites for the abolition of the clearing system. In the main these are three: (1) permanent arrangements for the debts; (2) restoration of an international monetary standard; (3) a less restrictive commercial policy, opening the way to the export of increasing quantities of goods from debtor states even in the interest of creditor countries.

These three conditions have in common that their fulfilment does not depend upon Germany and cannot even be essentially influenced by Germany. Agreements as to a permanent regulation of the financial debts depend in the first place upon the will of the creditor. One can consider the problem from a legal point of view, in which case it will remain unsolved for a long time. One can also consider it from an economic and business standpoint, in which case it is clear that the debtor countries can no longer carry their foreign debt. The very fact that only a very few nations are paying their foreign debts in full, and especially in gold, ought to be conclusive proof that liquidation is an economic impossibility, for one cannot assume that the majority of nations are deliberate defaulters. But there also are economic and statistical proofs. I shall here submit for consideration but one argument. For 1913 the entire inter-state indebtedness of all the nations in the world may be reckoned at 150 billion Rm. while the world trade turnover amounted to 160 billion Rm. The world's present inter-state indebtedness amounts to about 220 billion Rm., while the world trade turnover has declined to a figure somewhere between one third and one half of the amount of the inter-state indebtedness. Obviously from an economic point of view an adjustment is necessary.

Of course, it is easy to enumerate in committee reports the prerequisites which must be fulfilled and to state with which countries the decision lies for fulfilling them. Whoever has taken part, as I have, in all the international economic and financial confer-

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ences since 1920, besides devoting many years to bring about economic coöperation at Geneva, knows what is the practical value of such conclusions. How much wisdom, experience, and good will have been concentrated upon the resolutions that have come out of all these conferences and investigations, and how little has been achieved! And when, in an exceptional case, some of these resolutions have been put into practice, it has been too late.

I therefore conclude this article on a note of resignation. I do not believe that the time is ripe for the abolition of the clearing system in the near future, for I do not dare to hope that the conditions mentioned in the report of the committee will soon be fulfilled. Those nations which have been compelled by force of circumstance to resort to this makeshift arrangement will have to continue to get along with it. What will be the effect on international trade? The clearing system will not be an absolute obstacle to a gradual revival of the international exchange of goods. But it will automatically guide the exchange of goods between the individual countries into new channels. Even for those which had a hand in bringing about this system it was surprising to see how quickly international trade adapted itself to the new possibilities opened by the clearing system. If it continues to exist for a number of years more, the new trade roads, today still used as makeshifts only, will have become permanent. This means that the older export countries will limit their production of raw materials and foodstuffs, as they are already doing, and that the more recent export countries will increase their production of raw materials and foodstuffs—which they too are doing, and with success.

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THE PHILIPPINES LOOK AT JAPAN

By Carlos P. Romulo

THE origins of American expansion towards the Far East go back to the infancy of the Republic, for Americans were entering the China trade by the last decades of the eighteenth century. By 1800 this trade had become of sufficient importance to warrant sending an American man-of-war to the Orient to protect it, and during the first half of the nineteenth century its volume steadily increased. Trade treaties were made with Siam, China, and other oriental states. Enterprising American naval commanders raised the flag in such places as Formosa and the Bonin Islands, only to be disavowed by the authorities at home. And it was, of course, an American, Commodore Perry, who in 1853 opened up Japan to the outside world.

After 1858 a period of dry rot set in for the American trade in Asia; all the great American mercantile houses, famous in the Far East during the first half century, either withdrew or failed. American business men found readier profits in the tremendous industrial expansion of the post-bellum decades in their own country. Nevertheless, American political interest in the Pacific area did not by any means disappear. And it was inevitable that this political interest should bring the United States more and more into contact with reawakening Japan. In the case of Hawaii, for instance, it was pointed out by American observers that failure to acquire the islands would lead to their annexation by Japan, which, in turn, would inevitably lead to a conflict between the two countries. When the United States annexed Hawaii in 1897, Japan did indeed enter a vigorous protest.

After Dewey's victory in Manila Bay the United States saw itself drawn ever more closely into the Orient. But the American people had not intended to embark on a policy of imperial expansion in the Far East, and the question as to whether the Philippines should be retained caught them unawares. They scarcely knew where the islands were. American trade with them had never been important. A number of American vessels had called in Manila during the great days of the China trade, but few Americans had settled there. In 1825, for example, the only American resident in the Philippine capital was the consul. As late as 1896 the United States imported from the Philippines only

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$4,383,740 worth of goods, while American exports to the islands were valued at less than $200,000.

The McKinley Administration in the end decided to retain possession of the Philippines, largely because it did not know what else it could do with dignity and conscience. There was no possibility of the Filipinos being permitted to set up a government of their own. They could not be given back to Spain, since Spain would probably have ceded them to the Germans. The British were opposed to this; and as part of the price for England's surrendering the Caribbean to American supremacy the United States stayed in the Philippines.

II

The major Far Eastern policy of the United States clearly has been not to acquire or hold territories, concessions, or spheres of influence. Although the American flag flew for a time in the Lu Chu and Bonin Islands and Formosa, and although the United States was willing to acquire bases if ports in Japan had not been opened to commerce, the American Government never officially claimed nor acquired territory in the Far East until it entered the Philippine Islands.

The Philippine adventure of the United States has not been inconsistent with that policy. In the first place, the Philippines were not acquired by force or duress from an Oriental nation but by cession from Spain, which had held practically undisputed possession of them for more than three hundred years. In the second place, the Philippines were not acquired by design, but by an incident of war, in the settlement of which the interests of peace made necessary their cession to the United States. In the third place, since the acquisition of the islands every American president as well as several Congresses have declared that it was not the intention of the United States permanently to retain them. This promise has now been redeemed by the creation of the Philippine Commonwealth. Whether the policy of the United States in respect to the Philippines is wise or for the best interests of the United States or of the Filipino people, is a question beside the point which I am now trying to make clear. The essential thing is that the policy of the United States has always been not to acquire or to hold territorial possessions in the Far East.

As a corollary of this major policy, the United States has openly declared and consistently advocated the policy of the Open Door

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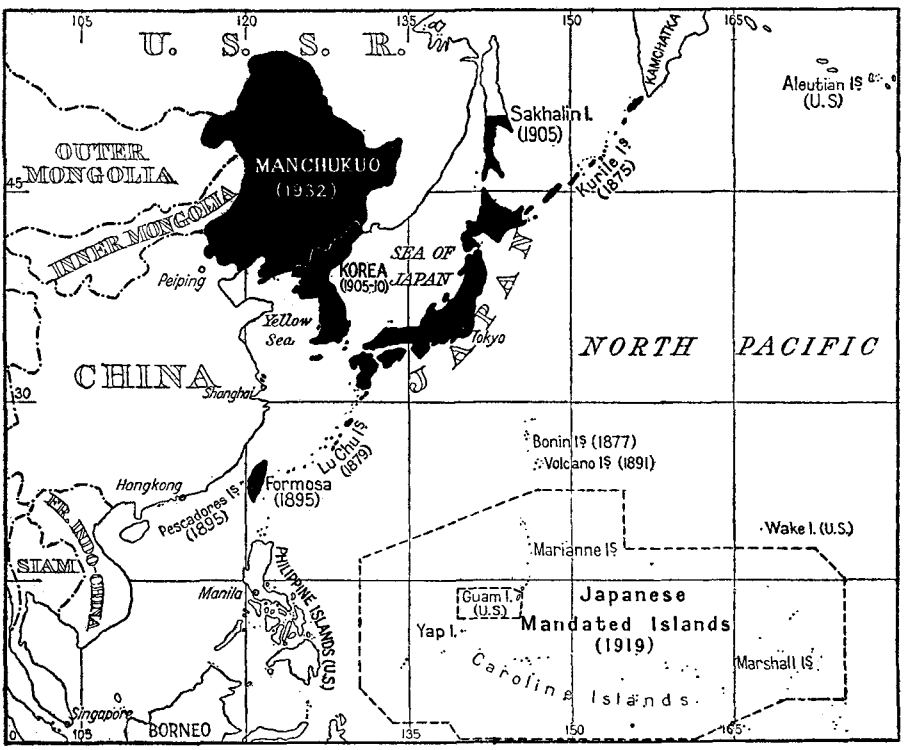
in the Far East, equal opportunity for all nationals, and the territorial integrity of China. As the American Government eschewed territorial aggrandizement, obviously it was to its best interest to insist upon rights for its nationals equal to those of all other nationals. It did not have territorial possessions in the Far East. Only by securing the acceptance of that policy by other nations, then, could the United States hope to secure and retain for its citizens trade rights on a par with those of the citizens of



The steps in Japanese territorial expansion are shown above. Japan has recently extended her influence to certain provinces of North China

other nations. But how can the Open Door be maintained in regions where sovereignty has passed, partially or wholly, to a foreign Power?

When the United States entered the Philippines the clouds of discord were rapidly gathering in the Far East. Rival ambitions were clashing. The Open Door everywhere was relentlessly being closed. Japan had taken Formosa and the Pescadores from China and had forced her to acknowledge the independence of Korea.

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France had consolidated her position in Indo-China and had acquired special rights in the Provinces of Yunnan, Kwangtung and Kwangsi in the south of China, exclusive concessions for railroads and mines, and a lease of the Bay of Kwangchowan. Great Britain held Hong Kong and Kowloon, and had obtained special privileges in Central China, including a non-alienation agreement for the Yangtze Valley and the port of Wei-hai-wei. Germany, as compensation for the death of two missionaries, had won special rights in Shantung and the lease of Kiao-chow, the best naval base south of Port Arthur. Russia was consolidating her position in Manchuria: she had secured preferential rights for the construction of all railroads north and northeast of Peking, the recognition of Mongolia and Manchuria as a Russian sphere of influence, and the lease of Port Arthur commanding the approach by sea to Peking and North China.

The United States, having acquired with the Philippines a voice in Far Eastern affairs, decided to try to end this mad scramble for territories and rights in China. Accordingly, in September 1899, Mr. John Hay, Secretary of State, requested the governments of Great Britain, Germany, Russia, France, Japan and Italy to give "formal assurance" —

> That any claims made by them to spheres of influence in China would not interfere with any vested interests within such so-called spheres. That the Chinese tariff then in force would apply to all merchandise, to whatever nationality belonging, landed in or shipped to all ports within such spheres, and that the duties levied thereon should be collected by the Chinese government; and
>
> That no discrimination be made in the matter of harbor dues or railroad charges within such spheres as to vessels or merchandise belonging to the citizens or subjects of any other nationality.

Italy, which had no sphere of influence in China, promptly acquiesced. Each of the other Powers agreed, provided all the others gave a "like acquiescence." These acquiescences, being uniform, were considered as acceptances, and the Powers were so notified in March 1900.

In 1900, as an incident of the Boxer troubles and the march on Peking, the United States secured an agreement to "preserve Chinese territorial and administrative integrity."

In 1915 Japan presented her Twenty-One Demands to China. The United States protested and announced that she would not recognize any of the treaties based on such demands as were

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contrary to the Open Door policy. At the Washington Conference in 1921 the United States secured agreements guaranteeing the territorial and administrative integrity of China and reaffirming the Open Door policy. On several occasions during the adventures of Japan in Manchuria and Shanghai in 1931 and 1932, the United States unequivocally announced its adherence to the policy of the Open Door and to treaties confirming that policy. There clearly can be no question as to the policy of the United States; and it is equally clear that on the maintenance of the policy of the Open Door has depended the interests of the United States in the Far East.

But can the United States maintain that policy? Japan has a contrary policy, which she has followed just as consistently: the political and economic domination of the Far East. Let us see how that policy has been carried out.

The Emperor of Japan had hardly been restored to power in 1868 when Japan laid claim to the Bonins. This was quickly followed by the assertion of sovereignty over the Lu Chus, although China also claimed those islands. Japan then occupied a portion of Formosa, but withdrew because of the opposition of the European Powers. Japan undertook to dominate Korea. She first forced China to acknowledge Korea's independence, and then annexed it herself. By war Japan made China cede Formosa and the Pescadores. Japan fought Russia and forced the cession of all Russian rights in southern Manchuria and the southern half of Sakhalin. China had to acquiesce. Japan extorted from China concessions and special rights as set forth in the Twenty-One Demands. She forced Germany out of Shantung and then obliged China to agree to recognize any rights there which Japan might secure from Germany. The Treaty of Versailles confirmed Japan's title; but as a result of American opposition, she finally agreed in 1921 to surrender it to China. Recently she has tried to justify her aggression in Manchuria by the treaties which grew out of the Twenty-One Demands.

The policy of the United States, then, has always been to maintain the principle of most-favored-nation treatment or the Open Door. But that policy is of little or no avail in territories which come under the control or domination of another Power. Japan's relentless extension of her territorial domain has already closed the door in the Lu Chus, the Pescadores, Formosa, Korea, Sakhalin, and Manchuria. The Chinese door is slowly

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being closed. Is it a mere coincidence that every one of these doors was closed, with the exception of Manchuria, before the United States acquired the Philippines? The United States by moral pressure and by reason of her possession of the Philippines forced Japan to relinquish Shantung; chapters of the story regarding the Manchurian and Chinese doors have yet to be written.

When the United States retires from the Philippines, can it maintain the Open Door policy? That hardly seems probable, for after the departure of the United States it is almost certain that Japan will extend her domination over the Philippines. Some hold a contrary view. They point to the statements of Japan to the effect that she has no intention of dominating the Philippines. For instance, early in 1932 Secretary of State Stimson stated that were the Philippines then to be granted their independence they most likely would be absorbed by another nation in the Far East. A spokesman of the Foreign Office immediately replied that the Japanese Government would willingly sign a treaty with the United States to guarantee the perpetual independence of the Philippines. He further stated:

> We have no desire to acquire the Philippines. We are unable to see any advantage to Japan if America grants their independence. We are chiefly interested in the islands as a profitable market near home, but we doubt whether independence would improve that market. Probably the reverse would be true.

This seems a naïve statement indeed. How much reliance can be placed on it? Let us turn back a bit.

In 1885 Prince (then Count) Ito declared: "Japan would have Korea always independent." Ten years later Japan forced China to acknowledge the independence of Korea; fifteen years later she annexed Korea.

In 1900 Japan, with other nations, agreed to "preserve Chinese territorial and administrative integrity." Five years later Japan succeeded Russia in southern Manchuria and forced China to acquiesce. In 1914 Japan delivered an ultimatum to Germany demanding the cession of all German rights in Shantung "with a view to their eventual restoration to China." But early in 1915 Japan imposed her Twenty-One Demands on China. Among them was one that China give full assent to any agreement which Japan might make with Germany regarding German rights in Shantung; and others that Japan be given new, additional and exclusive rights in Manchuria.

In 1921, at the Washington Conference, Japan agreed to re-

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spect the sovereignty and territorial integrity of China and to refrain from taking any advantage of conditions in China to seek special rights or privileges therein; but in 1931 she seized Manchuria, and has since set up a puppet government there under her exclusive control.

In 1919 Japan signed the Covenant of the League of Nations. In 1931 and 1932 she refused to be bound by that Covenant; and when the League found against her, she gave notice of withdrawal from that body. A spokesman of the Foreign Office, on learning that the report of the Joint Commission appointed by the League to investigate the differences between Japan and China would be contrary to Japan's position, stated that "Japan's program is decided, and whatever the League or the United States may think about it makes no difference."

In 1928 Japan signed the Pact of Paris to outlaw war. In 1931 and 1932, when that Pact was invoked, she refused to consider herself bound by it, and not only forcibly acquired control over Manchuria, but sacked a large area in and near Shanghai.

Does it not seem fairly obvious that Japan considers her promises and agreements binding on herself only so long as she believes it to be to her interest to do so?

III

Some hold that Japan's expansion is necessitated by the pressure of her surplus population, for whom room must be found outside. This being the case, the argument runs, the Filipinos need have no fear, for Japanese will not colonize in the tropics. In support of this they point out that after nearly forty years of possession by Japan only some 300,000 of her nationals have migrated to Formosa. They fail, however, to take into consideration: (a), the class of emigrants to Formosa; (b), that a possession may support a surplus population without emigration; and (c), that a possession may have a military value either for the protection of the homeland or as a step towards the consummation of a policy elsewhere.

Let us take these considerations up in turn.

Assuming the accuracy of the statement that only about 300,000 Japanese have migrated to Formosa, this proves nothing, for Japan has controlled southern Manchuria for nearly thirty years, and yet up to 1931 only 250,000 of her people had emigrated to Manchuria. The important point is that the Japanese emigrants

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dominate Formosa, and that under them the native peoples are the hewers of wood and drawers of water. Japanese have gone to Formosa not as colonists but to direct and control the government and agriculture, commerce and industry.

In the Philippines there are, say, 100,000 Chinese among 12,000,000 Filipinos; yet the Chinese largely dominate and control Philippine commerce. Put 300,000 Japanese in the Philippines, or even half that number, of the same class as those Japanese now in Formosa, and Japan would dominate the Philippines. An example of Japanese methods and efficiency may be found in Davao, where Japanese, amid Filipinos with greater opportunities, now largely control the hemp industry.

Colonial possessions in the tropics, even though they may not be used as an outlet for the emigration of a surplus population, may nevertheless provide for such surplus population in two ways: they may provide, directly or indirectly, needed food and other supplies; and they may give employment at home in the production of the industrial products desired by the tropics. Feudal Japan was not burdened by a surplus population; in fact, her population remained more or less stationary for almost two hundred years. The rapid growth of population in Japan began with her development as an industrial nation. She can easily support a population much larger than the present one provided she can control needed tropical products and markets for her manufactured goods. An excellent example of the truth of these statements is England, whose enormous increase in population resultant upon industrialization is supported by the exchange of manufactured products for food and raw materials. That the Philippines may not suit the Japanese as an outlet for colonists has therefore no bearing on their desirability as a means of caring for the so-called surplus population of Japan.

For Japan to own the Philippines would be advantageous to her in two ways. The Philippines could supply her with many products which she needs. They could augment her supply of rice (the main item of her diet). The Philippines could give her — and are now giving her — a supply of cordage fibers: she at present takes more Manila hemp than does the United States. The Philippines could give her needed supplies of rubber, coffee, vegetable oils, lumber and many other tropical products. She needs iron, and in the Philippines are the largest known deposits of high-grade iron ore in the Far East.

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In the Philippines are rich deposits of copper; while it is now generally believed that the gold resources of the Islands have hardly been tapped.

On the other side of the picture is the outlet which the Philippines would afford for the industrial products of Japan. Slowly but steadily the Japanese are penetrating the Islands. Equally slowly but steadily Japanese products, despite the tariff wall, are dominating the Philippine market. It is true that the closing of the American tariff door to Philippine products would today ruin many local industries and reduce both imports and exports to but a fraction of their present values; nevertheless Japanese control of the Philippines would open the tariff door into Japan and thus in time largely restore those values. The commercial advantages of the Philippines to Japan would clearly give the latter sufficient incentive to advance there. Japan appears to be fully alive to the possibilities of such an advance, and even now has commercially organized to make it.

The Philippines would be of great military value to Japan. Possession of them would make her position in the Far East almost impregnable, and would make untenable that of almost every other Power having interests, possessions or concessions in China. A glance at the map of the Pacific will quickly show this. Already Japan holds a string of islands from Sakhalin through Japan proper, the Bonins, Lu Chus and Pescadores, and Formosa to the Philippines. To the eastward are the islands of Micronesia, all, with the single exception of Guam, under the control of Japan. If the Philippines were added to these possessions, Japanese possessions would flank the entire eastern coast of Asia from the extreme north almost to the Equator. With Japan in complete control of the approaches to China, the United States, far across the Pacific, or for that matter any other nation, would be practically impotent to oppose a Japanese program for the domination of China.

Many informed people hold similar views. Even Filipinos are viewing the situation with real concern. Thus Manuel Quezon, when President of the Philippine Senate, stated:

> If anyone had asked me that [regarding the menace to Philippine independence by some other Power] ten years ago, I would have told them I did not fear it. . . . Now I would not like to say. Not only because of conditions in the East but because of the conditions all over the world. Nations of whom we did not expect boldness seem to have become bold.

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So long as the United States kept a foothold here I think any nation would think three times before attacking the Philippines. . . . For the next thirty years, at least, it is doubtful if any nation will want to quarrel with your country. But I am not so sure what might happen if the United States withdrew entirely.

Secretary of State Stimson in a letter to Senator Bingham in March 1932 stated:

If the agencies of American occupation should be at present withdrawn, it is the practically unanimous consensus of all responsible observers that economic chaos and political and social anarchy would result, followed ultimately by domination of the Philippines by some foreign Power, probably either China or Japan.

IV

What a change there has been in the reasons given for the relinquishment of the Philippines! When the United States acquired them, the fear was expressed that the country might come into conflict there with European ambitions, and that the result might be war. The tides have changed. Now the Philippines are to be abandoned so as to avoid a conflict with Japan.

Neither the logic of the situation nor the statements of Americans and Filipinos are, however, necessary to determine what would be the policy of Japan toward the Philippines upon the retirement of the United States. This has been revealed in a long series of Japanese statements. When in 1858 the Shogun sought the assent of the Mikado to the Harris treaty with the United States, it was stated:

Among the rulers of the world at present there is none so noble and illustrious as to command universal vassalage, or who can make his virtuous influence felt throughout the length and breadth of the whole world. To have such a ruler over the whole world is doubtless in conformity with the will of Heaven . . . and in establishing relations with foreign countries, the object should always be kept in view of laying a foundation for securing the hegemony over all nations.

Early in July 1932, Viscount Ishii, Privy Councilor, at an official banquet given to the new Ambassador of the United States, declared:

If the United States ever attempted . . . to prevent Japan from pacific and natural expansion in this part of the world, then indeed a grave situation would be created.

Admiral Suetsugu, Commander in Chief of the combined Imperial Fleets of Japan, boldly states:

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World envy parallels the steady rise of the Japanese in world affairs. . . We do not believe that diplomacy will settle the issue, and we are determined to prepare for the worst possibilities of an economic and political clash.

General Araki declared in July 1932:

The spirit of the Japanese nation is, by its nature, a thing that must be propagated over the seven seas and extended over the five continents. Anything that may hinder its progress must be abolished, even by force.

Mr. Hirota, the Japanese Minister of Foreign Affairs, recently stated:

If the United States desires an amicable solution of the pending problems . . . the United States should keep her hands off Far Eastern affairs and place implicit confidence in Japan's efforts to maintain peace and order in Asia. The world should be divided into three parts, under the influence of American, European and Asiatic Monroe Doctrines.

Japan has already officially declared that she has special responsibilities in eastern Asia and is guardian of the peace there. She has assumed the right to censor Chinese foreign relations.

She has announced her insistence on the revision of the Washington Treaties so that her navy will be on a parity with the navies of England and of the United States, unless among other things Manchukuo is recognized and the United States abandons all naval and aërial bases in the Philippines.

The United States has decided to relinquish sovereignty over the Philippine Islands. The American tide is ebbing. The Japanese tide is flowing. It bids fair to engulf all of eastern Asia. When the United States retires from the Philippines the flow of the Japanese tide will be accelerated. Will that tide engulf the only Christian people in the Far East?

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THE FRENCH ARMY, 1936

By General René Tournès

LIKE all armies, the French army exists as the instrument of a definite policy. To appraise its effectiveness in the restless and uncertain Europe of today one must first establish the broad lines of French military policy. The aim of this policy is simple, even though the execution of it raises complex problems. Having recovered her lost provinces in 1918, and already possessing a sufficient colonial domain, France has no further territorial ambitions either in Europe or abroad. The French army therefore does not exist either for revenge or for conquest; it has one sole purpose, to assure the security of France and her colonies.

The task of defending the colonies is the easier of the two, despite the extent of the empire, its distance from the homeland, and the war-like character of the native inhabitants. In 1935, France had to maintain an overseas army (*armée d'outre-mer*) of 210,000 effectives in North Africa, Syria and the colonies; at home she had only 320,000 men under arms. Among the colonial forces, however, are 100,000 natives of North Africa organized into special regiments of infantry and cavalry (sharpshooters and spahis), who besides helping maintain order in the African territories where they are mainly stationed are ready to participate in any struggle that might develop in Europe.

The overseas army is both a liability and an asset. It would probably turn out to be a liability if France were unable to maintain the freedom of her maritime communications. In the final analysis it is on the French army in France that the burden of defending the country will fall. To determine whether this home army is capable of fulfilling its mission we must first consider what Powers are the potential aggressors against which it might have to fight.

To find the answer to this question the French commander-in-chief does not need to consult the Minister of Foreign Affairs; the man in the street can give it to him. Indeed, it is indicated by history and geography. France has nothing to fear from England, Belgium, Switzerland or Spain, with whom she for long has been on the best of terms. No serious difficulties enter into her relations with any of these four neighboring Powers. Perhaps the French commander would be a shade less certain about Italy;

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but in the end the eventuality of an Italian attack would seem to him improbable. In any case, the Italians would find such an enterprise terribly difficult, for they would have to hurl themselves against the Alps, a powerful natural barrier reinforced by fortifications.

As for Germany, could the French generalissimo feel differently from any and every other Frenchman? Could he forget that Germany has invaded his country twice in fifty years? Would he trust in the speeches of Herr Hitler which affirm Germany's peaceful intentions? Would he not recall that Herr Hitler himself says elsewhere, *e.g.* in "Mein Kampf," that Germany must first of all destroy France as a preliminary to imposing supremacy on Europe? Does not Germany's tremendous rearmament confirm that this is indeed the end which he has in view? Along the 125 miles of frontier from Switzerland to Lauterbourg, our province of Alsace is separated from Germany only by the Rhine, easily crossed by a modern army. For another 125 miles, from the Rhine to the Moselle, France is in immediate contact with Germany; along this frontier there are no natural defenses. As for the rest of our frontier, Moselle to the North Sea, Germany proved in August 1914 that she could and would attack our northern regions via Belgium.

After making this survey of the European horizon a French officer would have to come to the conclusion that France is menaced by only one of her neighbors — Germany. He would also have to confess that against this single enemy France is greatly inferior if left with only her home army. She is numerically inferior, because her 41,000,000 population does not furnish as many soldiers as does the 66,000,000 population of Germany. She is inferior industrially, because it would be vain to pretend that French industry could equal the foremost industrial nation in Europe in the production of war goods. In short, a conflict which ranged France single-handed against Germany would be an unequal duel; France can conceive of a war against Germany only if she has allies at her side.

Who are these allies? First of all, England, for the decisive reason that today her frontier is the Rhine, as Mr. Baldwin has expressed it. Indeed, if the German armies reached the Channel coasts England would be in even greater danger than France. Then there is Belgium, whose military fate is indissolubly tied to that of France. In addition to these two allies, whose interests

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cannot be separated from ours, we may count on the coöperation of all the nations which would feel menaced by a German aggression against France. First among these it is logical to place Italy; then those adjoining Germany on the south and east, Czechoslovakia and Poland, as well as Russia. Here a variety of more or less complicated political combinations would come into play.

The primary mission of the French army being to defend French territory against a possible German aggression, let us first examine the extent and nature of Hitler's military preparations. This is the more necessary since the present French military preparations are the result of Germany's rearmament program.

From 1919 to 1933 the German army was limited by the terms of the Treaty of Versailles to 96,000 professional soldiers, enlisted for twelve-year terms, and 4,000 officers. The armament of this force was strictly defined, offensive weapons being specifically forbidden. Fortifications could not be constructed nor garrisons maintained in a demilitarized zone along Germany's western frontier. Thus restricted, the German army was not a menace to its neighbors.

The situation changed when Hitler attained power in January 1933. The country was rapidly transformed into a drill ground, and the manufacture of every kind of instrument of war was pushed forward at full speed. In 1935 Germany threw off the mask completely. By the law of March 16 she reëstablished obligatory military training of one year, to be preceded by a year in the "Labor Service." By the law of May 21 she practically put all the citizens of the Reich, even in time of peace, at the disposition of the Minister of War. As a result, by the end of 1935 the German General Staff had created ten army corps, consisting of twenty-four infantry divisions, three mechanized divisions, two divisions of cavalry, a total of around 480,000 men. To these must be added other regular forces (*Landespolizei*, *Schutzstaffeln*) with a strength of around 550,000, plus the 200,000 men in the "Labor Service." By the end of 1936 the complete reorganization of the German army as outlined by Hitler will probably be completed. It will then contain twelve army corps, composed of thirty-six divisions of infantry and reënforced by a now unknown number of mechanized and cavalry divisions. Germany will then have a peacetime army (not including the "Labor Service") of 700,000 men, of whom 260,000 will be professional soldiers.

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The German air fleet of at least 1,500 machines is superior both in number and in newness to the British or the French.

For three years Germany's factories have been working intensively to turn out the most modern types of weapons: airplanes, tanks, heavy artillery, and the other implements and munitions needed by an army on a war footing. The size of this wartime army will be tremendous. Germany's performance in the World War gives us an idea of what she is capable of doing: in August 1914 she put 107 divisions into the field, and in May 1918, the moment of her maximum effort, 250 divisions. At that time Germany had seven million men under arms.

From these bare figures one can measure France's peril. Actually in process of organization on her north-east frontier is a peacetime German army of 700,000 men, equipped with the latest engines of destruction. Furthermore, as Germany has had her industrial machine mobilized for war purposes ever since 1933, she is in a position on the outbreak of a war to exert her maximum effort at once. France is thus exposed to a surprise invasion, to a lightning stroke. She feels her position the more dangerous in that during the period between the end of the war and 1933 she allowed her military establishment to deteriorate rather more than was justifiable.

It is true that France had good excuses to relax her military preparations. When Germany had ceased in 1918 to be a mortal and ever-present danger, France hastened to lighten the burden of military service which had borne so heavily on her citizens. She immediately lowered the period of compulsory army service to a year and a half; and later, in 1928, she cut it to one year. This policy was advisable, moreover, in order to liberate as much man power as possible to repair the damage done by the invading armies in four years of war. During this period the French army did not renew its armament; it continued to live on the accumulation left from the war. From 1924 to 1928 France passed through a severe monetary crisis, resulting finally in the destruction of four-fifths of the value of the franc. During these years of distress no military expenditures except those strictly necessary for upkeep were included in the budget.

By 1928 France had begun to come out from under the financial clouds, only to be confronted with negotiations which made it plain that the inter-Allied occupation of the Rhineland would soon terminate. The French High Command believed that before

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long Germany would resume her freedom to arm. They therefore obtained as large an increase in the military budget as was compatible with the financial situation in order to construct a solid fortified barrier along the whole north-east frontier. The plans for this had long been prepared.

This defensive system consists of two types. In Alsace, where an invading army from southern Germany would first have to cross the Rhine and would then encounter the Vosges mountains, the French High Command has been satisfied to multiply emplacements for machine guns and artillery commanding the river and the points on the French side where an enemy might be able to gain a foothold. On the other hand, along the 125 miles of open frontier between the Rhine and the Moselle there has been created an extremely powerful line of fortifications. Reënforced concrete and armored forts have been constructed at the principal strategic points, and smaller forts and machine gun nests in the intervals between the main forts. The environs of the large fortifications have been made inaccessible to tanks and infantry by various devices, notably by systems of upright steel beams imbedded in reënforced concrete. All of these works have the most modern appointments: they are impervious to gas, they are supplied with electric appliances, and they are connected with the outside and frequently with each other by underground communications.

By 1933 the process of giving France an effectively fortified north-east frontier was well under way, but it was far from complete due to financial considerations which necessitated spreading the work over a number of years. The accession of Hitler showed France that her military preparations would have to be redoubled. In fact, it became necessary to reorganize the whole French army.

The question of effectives immediately became acute. Faced with the fact that by 1936 the German army would be 700,000 strong, could France continue to maintain military service at only one year? Arithmetic supplies the answer.

Up to 1935 France annually called up about 240,000 young men to perform their year of military service. However, from this figure must be subtracted the 25,000 men who are not fitted to take their places in the ranks and who are placed in the "auxiliary service." The home army thus contained only 215,000 young men called to the colors. If we add the 58,000 professional soldiers (non-commissioned officers and specialists) and the 45,000 North African natives garrisoned in France, we find that

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in 1935 the French army could not have consisted of more than 318,000 men. This is a maximum figure, for the 45,000 native troops constitute the so-called "expeditionary force;" they must be ready to go to a colony on short notice and consequently might not be in France at the moment of a German attack. Furthermore, the French birth-rate fell sharply during the five years of war. In consequence, contingents formed of the men born between 1914 and 1919 will vary from a maximum of 159,000 men in 1936 to a minimum of 121,000 in 1937 and 1938.

If France had continued to maintain her military term at one year, the strength of the home army would have dropped to 242,000 men in 1936, to 203,000 in 1937 and 1938, rising to 233,000 only in 1940. During this same period Germany will be able without difficulty to maintain a peacetime army of 700,000 men. Her annual classes never fall below 400,000. Even if all the members of a class are not called up, the German taste for military service will certain lead to the enlistment of enough professional soldiers to supply the deficiency. In view of this great disproportion in number of effectives, could France regard her north-east frontier as secure?

The existence of so powerful a German army in time of peace raises for France another problem in the matter of effectives which is no less urgent and difficult. Before 1933 it was safe to assume that the German Reichswehr of 100,000 men was incapable of executing a surprise attack on France. The French army therefore was not organized to parry such a blow, to act, that is, as a "cover." The High Command did not consider it necessary to occupy the fortifications along the north-east frontier permanently. It believed that it would have sufficient time for calling up the reserves, concentrating them on the frontier, and even giving them the necessary cohesion by several weeks of drilling before the German blow could be struck. The French army had thus become a mere *cadre* for the instruction of young recruits and of the reservists who were occasionally called up for brief periods of training. For convenience in mobilizing its effectives it did not take the trouble to concentrate them along the north-east frontier but dispersed them over the whole country.

But such vagaries were no longer permissible when the German peacetime army contained two and a half times as many men as the French home army; when the German forces had at their disposal extremely powerful road and railway transportation;

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when they had strength in tanks and airplanes permitting them to make a sudden attack; and when the German military tacticians were openly advocating precisely that manner of beginning operations. Under these conditions Parliament in the spring of 1935 authorized the French Government to take the requisite steps to remedy the disquieting situation in regard to the army's effectives. The first step was to increase the term of service to two years during the period of low man-power from 1936 to 1940. This will be carried out so as to have continually in training in France proper two classes of 110,000 young men each. Concurrently the age of the recruits will in each of the next five years be lowered two months, thus increasing the annual contingent during the lean years by about 20,000 men. In this way the home army will be assured a total of 240,000 recruits under arms. If the present strength of the professional and North African troops is maintained, the French army will have a peacetime footing of around 340,000 men.

Its function is also being transformed. While continuing to instruct young recruits and the reserves, it now in addition serves as a covering army (*armée de couverture*). It therefore accentuates its concentration towards the north-east frontier. Special bodies called "fortress troops" have been organized to occupy permanently the line of fortifications on this frontier. At the end of 1935 these numbered 1,250 officers and 36,000 men. In case of a German invasion they could be reinforced within a few hours by the reservists living in the vicinity.

Obviously the army of 340,000 men under arms in France is greatly inferior to the German army of 700,000. It has only twenty divisions of infantry, four of cavalry, one mechanized division, and eventually the five divisions making up the "expeditionary force," with which to oppose thirty-six divisions of German infantry supported by perhaps a dozen mechanized or cavalry divisions. Nevertheless, the French army feels confident that, strengthened by its modern armaments and the system of fortifications along the north-east frontier, it can protect the country until the national reserves, the North African troops, and the armies of its allies can reach the front.

The feverish German rearmament obliged France to transform her own armaments without delay. As has already been pointed out, from 1919 to 1933 a lack of funds prevented the General Staff from acquiring any new armaments, in particular those

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that are extremely costly such as artillery, tanks, and the equipment of mechanized units. In these categories the models remained those of 1918. As for aviation *matériel*, the Staff had to be content with only such slight changes as would not require expensive alterations in plant.

Thanks to credits voted by Parliament when the Hitler menace became apparent, the process of renovation has been proceeding at full speed. The infantry has already been taken care of. It was already provided with excellent automatic rifles and machine guns; it has now been supplied with howitzers, anti-tank guns, and very low, small trucks to be used in hauling ammunition up to the line of fire. Naturally the artillery and tank units will take longer to modernize. In compensation for that fact, French military aviation by the summer of 1936 will no longer be inferior to that of Germany. It will have both bombing and pursuit planes technically equipped so that it can maintain a close guard over French territory as well as carry out rigorous reprisals for enemy bombardments.

The French command has also undertaken to extend the permanent fortified barrier north of the Moselle so as to parry a thrust across Belgium and Luxembourg. The impovement of existing fortifications in the plain of Alsace and from the Rhine to the Moselle is also being rushed; the depth of the defensive system is being increased and many accessory works are being added.

This rearmament effort is far from being completed; on the other hand, Germany has not yet achieved her full remilitarization either. To provide the proper *matériel* is not, properly speaking, a war minister's most delicate task. The problem is today being studied and solved in about the same manner in all modern armies. The solution requires merely technicians and money. In these regards France does not consider her potentialities inferior to Germany's.

Now that it is assured of being able to provide its troops with an armament equal in quality to that of the Germans, the French High Command is centering its attention mainly on deciding the most rational utilization of the new *matériel* and the best apportionment of it among the armies. These problems are highly complex and delicate. For instance, how are tanks to be allotted? Shall they be distributed among the units or is it preferable to keep them among the general reserves of the armies or groups of armies?

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At present the two great technical problems occupying the special attention of the French High Command are those concerning the "mechanization" and the "motorization" of divisions. A division is said to be "motorized" when it can be completely transported by automotive vehicles. It has permanently at its disposal the necessary trucks for its artillery, ammunition, and supplies; all that remains in the moment of need is to provide trucks for the men on foot (infantry, engineers, etc.) and horses and mules for the officers and machine guns. A motorized division is ready to go almost instantly into action with its full force; it will not have to wait, as in 1918, for its artillery, ammunition, food, etc. Of the twenty-five French infantry divisions, seven have already been motorized. Ought the number to be increased? The question is being argued and studied. It involves important tactical factors as well as consideration of the effects on our national economy, such as the raising of horses, the accumulation of oil supplies in time of peace, and the possibility of their replenishment in time of war.

Except for its superior mobility the motorized division is not very different from the ordinary division. A "mechanized" division, on the other hand, is a combat organ of quite a different character. Such a division has at its disposal at all times all the automotive means necessary for its transportation. Its weapons are all automotive: tanks, motorized cannon, and machine guns mounted on trucks. Its personnel, though they may fight on foot, are transported, until the moment for action arrives, in vehicles called *tous-terrains* that can travel over every sort of ground.

The problems raised by the development of mechanized divisions have not been solved any more than those raised by motorized divisions — indeed they are even more experimental and controversial. In consequence, the French High Command has so far created only one experimental unit in place of a cavalry division. Should the four remaining cavalry divisions be likewise transformed into mechanized divisions? Indeed, it is a question whether, as certain officers suggest, there ought not to be created seven extremely powerful mechanized divisions, each composed of three brigades: the first to contain two regiments of heavy and medium tanks; the second, two regiments of infantry mounted in trucks of the *tous-terrains* type; and the third, two regiments of artillery, one of them armed with heavy pieces.

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Obviously, seven mechanized divisions which had prepared in peacetime could render most valuable service in the first days of mobilization. They could go to the aid of the Belgian army, well entrenched on the fortified plateau of Herve east of Liège but exposed on its southern flank in the Ardennes. They could also be utilized in the event of a German violation of Swiss neutrality. Thirdly, they would constitute a very mobile and very solid reserve for the French troops covering the 450 miles of frontier from the Swiss border to the English Channel. On the other hand, mechanized divisions have their drawbacks. For instance, they absorb a large proportion of the tanks, so that the number available is too much reduced. Furthermore, they require a large number of professional soldiers and specialists to service them, since costly and delicate machinery cannot be entrusted to new recruits and reservists. As a result the ordinary units are deprived of these trained men. The pros and cons of mechanized divisions obviously require careful examination and experimentation before the right decision can be reached.

In addition to these technical problems, the French military leaders must study the questions involved in organizing the national high command and an international high command. The experience of the World War showed the importance of these problems.

The French assume that a German aggression against them will inevitably cause the other nations which feel equally menaced by that aggression to enter the fight on their side. Undoubtedly the Belgian army will be attacked simultaneously with the French; the British army will then have to come to the aid of the French and Belgians as quickly as possible. These three armies will immediately engage the German armies on a well-defined front — the Belgian and French frontiers between Holland and Switzerland. In view of this it seems indispensable that before the outbreak of war the three armies should establish the basis for intimate coöperation. Political and personal reasons naturally make it difficult to designate in advance the generalissimo who would have supreme command of the three allied armies, following the formula adopted in March 1918 in the face of the imminent danger then prevailing. But at least it should be possible, and it is essential, to regulate by precise conventions the composition, transportation, and concentration of the forces to be mobilized by each of the three partners. It is still more essential

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to set up in time of peace an inter-allied general staff which if war comes will serve the common commander-in-chief of the three armies. Admittedly the organization of an inter-allied command raises ticklish problems. We saw between 1914 and 1918 how it collides with national susceptibilities. For reasons of modesty, none of the countries seems willing to study the problem. But it exists nevertheless. And unless it is solved, do not the three armies risk losing the first big battle of the war, and without a Joffre can they count on another Marne? . . .

The coördination of the military effort of the British, Belgians and French may be the first condition of successful resistance to German aggression. But understandings with other allies such as Italy and Czechoslovakia are no less necessary. These arrangements will be easier to effect in that the armies of these powers will not be operating in the same theatre of war as the western powers and hence coördination will not have to be so intimate.

In the matter of organizing its own high command the French people face important problems. They have in time of peace three ministries responsible for preparing for war: navy, war and air. This anomaly, the legacy of a long past, is today universally condemned. French military opinion quite rightly demands the institution of a Ministry of National Defence on the German model, uniting under one unified authority all the French forces of land, air and sea.

The creation of a Ministry of National Defence will immediately have one advantage: it will show the necessity for giving the general in charge of the armies on the north-east frontier command over air as well as land forces. If it is possible to conceive of the French navy receiving its orders from the supreme war organ set up by the government, it is illogical to suppose that the pursuit and bombing squadrons can continue, as at present arranged, to be under the orders of some other than the commander of the armies at the front. Duality of command in time of war has never produced anything except the most tragic results.

Finally, France has been obliged by the prodigious rearmament of Germany to ask of her people to make serious sacrifices in the moral as well as the material field. She has demanded that her young men accept an additional year of military service in order to assure the army its indispensable number of effectives. She has undertaken the formidable expenditures necessary for build-

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ing up an armament on a par with that being created across the Rhine. But these material sacrifices would be vain if they were not accompanied by a spiritual resurgence. Since 1918 the French people have been led to believe that the period of wars was ended, that the League of Nations could prevent all conflicts by making even the most powerful and determined aggressor recoil before the coalition of nations which would spring to the assistance of the victim. Pursuaded by leaders like Briand, the man in the street imagined that because he was satisfied and pacific his neighbors were also.

Lulled into a false sense of security, Frenchmen no longer directed their energies first and foremost toward mounting guard on the Rhine, that line where for two thousand years they have had to exercise perpetual vigilance. Their discovery that Germany was being transformed into an immense barracks, into a gigantic munitions factory, was abrupt, and the necessary change in attitude was not accomplished without complaints and murmuring. But today it is well under way. Led by officers schooled in the World War and composed of men capable of any self-sacrifice when they understand that their fatherland is in danger, the French army of 1936 can be regarded as entirely competent, under the conditions here outlined, to defend the country from attack.

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THE SOVIET CONQUEST OF THE FAR NORTH

By Bruce Hopper

THE search for the Northeast Passage to Cathay, which for four centuries stirred the imagination of European mariners, has at last ended in triumph. We seem at the beginning of a new phase of man's relations with the North.

In this great polar saga are three historic dates. The first to seek the short-cut route from the Atlantic to the Pacific was Sir Hugh Willoughby, who in 1553 perished with all hands on the Murman coast. In the ensuing centuries navigators of many of the seafaring nations resumed the search. Some turned back before being caught; others were lured eastward to their doom in the ice. In 1878–79, A. E. Nordenskiöld made the first through-passage by "freezing in" for the winter. The only other expeditions subsequently to pass — those of Vil'kitsky, Amundsen on the *Maud*, Toll, and Nansen on the celebrated *Fram* — pursued the same method. It remained for the Soviet ice-breaker, *Sibiryakov*, sailing from Arkhangelsk to Vladivostok in 1932, to complete the through-passage in a single navigating season — the first time in history.

This feat was not an accident of Soviet exploration. It was preceded by years of Arctic studies, especially of the movement and behavior of ice. In the sequel are matters of high potential importance. Discovery of the through-passage has given impetus to vast Soviet schemes for the exploitation of northern Asia hitherto remote; for populating regions never trod by civilized man, nor even by savages; and for developing the Arctic as a normal artery of sea and air commerce. The program introduces new factors into the politics of the Pacific Ocean which America, as close neighbor of the Soviets in the Arctic, cannot afford to ignore.

While the details of Soviet achievements in the Arctic are not yet available, the following facts may be gleaned from recent Russian materials. Soviet scientific studies began with the creation of the Commission for Study of the North in 1919. The first stage in opening the passage was the Kara Sea expedition of 1921, consisting of a fleet of ten ships sent to the mouth of the Ob River to bring Siberian wheat to the famine areas of European Russia. These trading expeditions became an annual feature, widening

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into the large scale operations of today. Geological surveys were undertaken on Novaya Zemlya, Severnaya Zemlya, etc., during which uncharted islands were discovered, and the horizon of the known gradually pushed eastward and north, beyond the barriers of ice. In 1926, a group of "winterers" colonized Wrangel Island in order to warn off possible contestants to the Soviet claim of possession. Then, the ice-breaker *Krassin*, returning from the rescue of the ill-fated dirigible crew in 1928, touched at Franz Josef Land, north of 80°, where the first permanent polar station was subsequently set up.

Two years later the All-Union Arctic Institute was created to coördinate the work of developing the "Soviet Sector of the Arctic." The Institute laid out a five-year program of research, meanwhile training Arctic specialists in five main branches: hydrology, geophysics, geodesy, geology, and "bio-industry." Seamen with experience in northern waters were recruited from other work and schooled as polar navigators. The first public notice of the new program of development was the appearance in 1930 of sailing instructions and a chart of the Kara Sea. The work is now proceeding further east. Information is being collected about the sea floor, the currents, the formation and movement of ice, the salinity at various depths, the declinations of the compass, as well as the migration of fish and other matter of economic significance. The discovery of the through-passage by the *Sibiryakov* in 1932 made apparent the possibilities of tapping the rich regions of Yakutia and Central Siberia from the north. Scientific work in the Arctic was transformed almost over night into a great national objective of the Soviet Union — the conquest of Russia's frozen domain. A chain of radio and meterological stations was rushed into existence. And by decree of December 17, 1932, the Central Administration of the Northern Sea Route ("Glavsevmorput") was founded, attached to the Council of Peoples Commissars, but actually wielding the powers of an independent commissariat. One of the assistant-chiefs of this organization is appointed by the Commissar of the Army and Navy, who likewise has two representatives on its Collegium. The importance for defense is obvious.

With this last step began the systematic conquest of the Arctic, as a result of which the Soviets may rightly claim preëminence in modern polar science.

The Northern Sea Route is divided into a western section,

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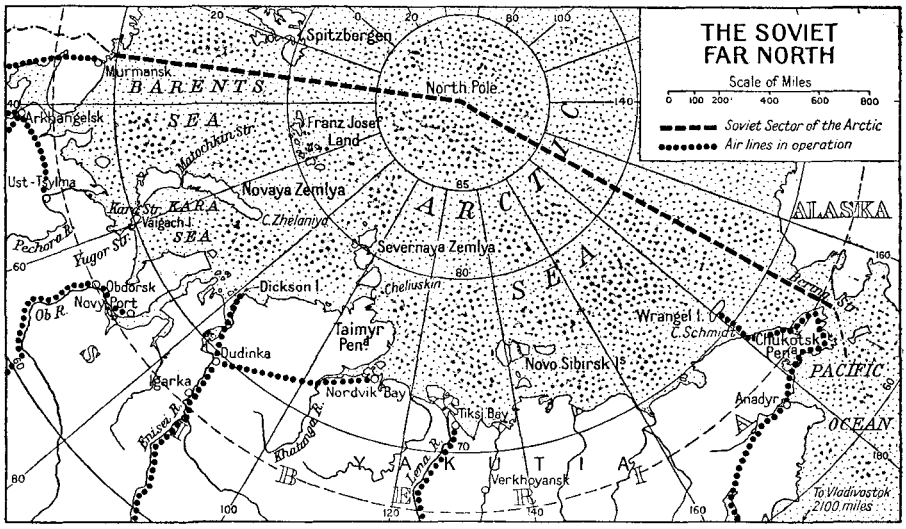
from the Baltic-White Sea Canal or Murmansk through the Kara Sea (formerly considered an "ice-bound mantrap") to the Enisei delta; and an eastern section, from Pacific ports through Bering Strait to the Khatanga River. The middle section, around Cape Cheliuskin, is as yet less developed. There are actually four routes in the west: 1, through Yugor Strait south of Vaigach Island; 2, through Kara Strait north of that island; 3, through Matochkin Strait, which bisects Novaya Zemlya (the shortest route for through-passage); and 4, around Cape Zhelaniya in the open sea north of Novaya Zemlya, used when the other routes are blocked by ice. Airplanes fly the route, reporting and predicting the move-



ments of ice to radio stations and ships, thus enabling expedition commanders to sail the route most feasible at the moment, with ice-breakers clearing the way if necessary.

The Second Five Year Plan (1933–37) made an allocation of 250,000,000 rubles to the Northern Sea Route Administration. The navigation season is short. In the Kara Sea it averages 100 days. Farther east the conditions are less favorable. However, the season has been systematically lengthened year by year. At Novy Port, on the Ob, it was 16 days in 1927, 40 in 1929, 46 in 1932, and 54 in 1934. The latest reports indicate that over a hundred ships used the Northern Sea Route during the 1935 season, operating from both ends, with two ships each way making the complete through-passage. The ice-breakers are now sta-

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tioned in four zones, being responsible for convoy only in the zones to which they are assigned. The ports, which have sprung up like mushrooms, are for the most part situated at the mouths of the great Siberian rivers where fuel and supplies are stored. At these points river craft, operating from deep Siberia, exchange products of the interior for the manufactured goods and industrial equipment brought by sea. One striking exception is the deep water port of Igarka, 725 kilometers up the Enisei, which in five years has been converted from frozen waste into a town of 14,000 inhabitants, possessing the largest timber combine between the Urals and the Pacific. Igarka, now that it is visited by ocean vessels, seems destined to become the metropolis of the strange world within the Arctic Circle.

The most obvious economic significance of the Northern Sea Route is the development made possible of Yakutia and other regions in high latitudes which are rich in natural resources and which are not yet reached by the railroads. Yakutia, called the "big bottle with a narrow neck," has hitherto had to rely solely on the long connection by trail with Irkutsk. But the coast-land itself is also expected to yield profits. The geological chart prepared by the Arctic Institute in 1934 reveals valuable mineral deposits at 228 points: coal at 73 points, peat in fair quantity, also graphite, gold (at 26 points on the Chutkotsk peninsula), and various non-ferrous-metals (lead and zinc on Vaigach Island, copper on Novaya Zemlya), as well as sulphites and iron. Coal and oil have been found on the Pechora, Enisei and Lena Rivers in sufficient quantities to justify the expectation that the fuel needs of Arctic commerce will be met by local supplies. With experience gained in the Murman area, the Soviet agricultural experts have established Arctic farms, the northern-most in the world, which lengthen the growing season by artificial thawing of the frozen soil. Garden crops are being successfully produced. To insure local food supply, the three trusts of the Northern Sea Route Administration are operating factories for preserving fish and game, the chief exports, as well as developing the oil, salt and fur industries. These trusts are also occupied with building up the river fleets and maintaining the supply of fuel.

In the matter of recruitment for service in the North, the Soviet Government has relied largely on volunteers, granting them special rewards and privileges. By decree of July 7, 1933, members of one family may work together in the Arctic; wages

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and pensions are on the relatively high scale given to miners; disabilities are rated as those of professional labor; and, quite important, the rations are those served to the Red Army. The personnel of the polar radio stations, three or four persons per station, are supplied with food for a whole year, and are relieved at the end of that period. By decree of July 21, 1935, the Northern Sea Route Administration assumed control of all economic and cultural functions in the North. It thus becomes a political agency, with considerable power in Soviet affairs.

In keeping with this "Arctic fever," it is natural that the Soviet Government should raise the question of possible future claims to what has been considered *terra nullius*.[1] On November 4, 1924, the Commissar for Foreign Affairs (repeating claims set forth in a similar note by the Tsarist Government in 1916) notified all governments that the islands between the Russian coast and the North Pole belong to the territory of the U. S. S. R. And on April 15, 1926, the Presidium of the Central Executive Committee decreed that "all lands already discovered, as well as those which are to be discovered in the future . . . north of the coast of the U. S. S. R. up to the North Pole, within the limits of 32°4′35″ east from Greenwich . . . and 168°49′32″ west from Greenwich" come under Soviet jurisdiction. Further, the Soviet experts in international law[2] declare that the doctrine of "discovery, effective occupation, and notification" as the basis of territorial claim must be superseded by the doctrine of "region of attraction," by which newly discovered land *ipso facto* becomes the polar territory of the subjacent state. The "Soviet Sector of the Arctic" thus carries certain political connotations. Within the area defined above, Soviet sovereignty is presumed to exist not only over lands which may yet be discovered, but also over the "more or less immovable ice formations." Floating ice may be considered as part of the high seas. Further peculiarity arises from the Soviet contention that each subjacent state (U. S. S. R., United States, Canada, Denmark, Norway, Finland) "exercises sovereignty over the aerial space above the whole region of attraction of its sector." The North Pole, however, does not belong to any state, and may be represented as an "hexahedral frontier post on the sides of which might be painted the national colors of the state of the corresponding sector." As a matter of fact, the

[1] *Cf.* David Hunter Miller: "Political Rights in the Arctic," FOREIGN AFFAIRS, October 1925.
[2] See W. L. Lakhtine, "*Prava na Severnye Polyarnye Prostranstva*," NKID, 1928.

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"post" really should probably be five-sided, as the Finnish sector ends at Spitzbergen, and does not reach to the North Pole.

In the larger sense, this victory of man over the ice which has crushed him in the past may be viewed as part of the large general scheme for the redistribution of the productive forces of the Soviet Union. Soviet construction moves up to the polar frontier. One may doubt the feasibility of making a permanent habitation north of the earth's "Pole of Cold" (Verkhoyansk). Still, economic objectives are within reach, the opening of new markets for European goods, relief of the strain on Siberian railways, etc. And whether or not the Northern Sea Route becomes a "normal" artery of safe navigation for commerce, its strategic importance leaps to meet the eye.

In the summer of 1935, Soviet scientists on the ice-breakers *Sadko* and *Krassin*, accompanied by airplanes, sought to determine the influence of the Gulf Stream in polar seas north of 82°. They reported a warm current 650 feet wide near Franz Josef Land, and one far to the east, north of Wrangel Island. It is presumed that these are part of a warm current which supposedly flows from the Atlantic to the northern entrance of the Pacific. If these expectations are substantiated, the Northern Sea Route may play a world rôle, especially in connection with the short-cut to European ports via the Baltic-White Sea Canal.

The air service has an especially important function along the Northern Sea Route: reporting ice movements, maintaining communication with isolated polar stations, and conducting photographic surveys of all the main river systems from the southern bases to the northern ports. In addition to the trans-continental lines from the European centers, there is now regular air service along the Ob River from Tyumen to Obdorsk and Novy Port; along the Enisei River from Krasnoyarsk through Igarka and Dudinka to Dickson Island; and along the Lena River from Yakutsk to Tiksi Bay. Other air lines, which began operations only in 1935, include the important ones in the Far Eastern zone, the Khabarovsk-Anadyr-Cape Schmidt-Wrangel Island line, and the Kamchatka lines connecting Petropavlovsk with Bolsheretsk, and with Ust, Kamchatsk, and Zhupanovo. Soviet planes regularly fly along the coast of Bering Sea. A main coastal line for the Northern Sea Route from Murmansk and Archangel to Vladivostok, is planned for operation next year, with a time schedule of 60 flying hours for the entire length. This last winter, a new type of Arctic

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airplane, equipped with wheels and skis on floats, made possible regular year-round connections with the polar stations for the first time. The mail and parcel air service to such stations was given special stamps, "Per Airplane to the Arctic," which appeals to the Russian sense of the dramatic.

Aerial communications across the Arctic are beset with difficulties, but their establishment may be less remote in point of time than we are wont to suppose. Preparations are already well advanced for the flight over the North Pole, from Moscow to San Francisco, in the summer of 1936.

In 1817 the United States and Canada permanently demilitarized their common frontier. The Soviet water and air approach to the Pacific is a reminder that America also has an Arctic frontier. It may prove expedient for the United States to enter into an agreement with Soviet Russia for the demilitarization of Bering Strait, so that no matter what happens in the wider reaches of the Pacific the possibility of war shall be excluded from the Arctic and Alaska.

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DEPRESSION AND RECOVERY IN ARGENTINA

By Clarence H. Haring

THREE years ago Argentina displayed all the phenomena of the world depression: low commodity prices, unemployment, debtors faced with foreclosure, an unbalanced budget, declining foreign trade. Today she has emerged from the crisis to an extent beyond any other American country.

The depression reached its nadir in South America in the course of the year 1933. It made frightful ravages there because of the catastrophic declines in the price of basic raw materials on the export of which the continent chiefly depends. Recovery has been due to the combined action of a number of factors, some of them measures taken by local authorities, others of them world-wide in operation. The domestic measures grew out of the determination of governments to set their house in order, and comprised a variety of expedients, many of them inspired by the policies of the Roosevelt Administration in the United States. Of much greater importance has been the influence of two other factors in play since the beginning of 1934. One is the slight but substantial rise in world markets of the prices of most of South America's principal exports. The other is the depreciation of the national currencies, which enhanced the benefit of rising prices for the native producer. In most of these countries the currency is today more or less stabilized at from 30 to 90 percent below the gold parity of six years ago. And despite this depreciation, the cost of living has not risen in proportion, largely because these countries themselves produce the elements necessary for their subsistence.

In Argentina circumstances have been especially propitious. An agricultural and pastoral country of vast extent, she is developing a diversified range of exportable products. Thanks to her extremely fertile soil, her industrious white population, and a favorable climate, she is able to meet competition in the outside world with unusual success. Moreover she is fortunate in having a government which has conjured her economic ills with expertness and intelligence.

The management of the national finances is perhaps Argentina's most striking achievement — the work of the late Sec-

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retary of the Treasury, Federico Pinedo, and of some of his associates. The budget is practically in a state of equilibrium; indeed, in December last, by virtue of an anticipated budgetary surplus of twenty million pesos, a reduction of the income tax was announced, as well as the abolition of certain license taxes bearing upon small tradesmen and professional men. The national government, moreover, almost alone among those of Latin America, has not defaulted on any of its foreign obligations.[1] Although in 1933 there was open talk in some quarters of the desirability of suspending the debt service, in 1934 and 1935 the public credit was so far consolidated that various foreign and domestic loans, both federal and provincial, were successfully converted from 6 percent to 5 percent and 4½ percent.[2] The system of taxation has also been remodeled and simplified, the federal government assuming the entire responsibility of collecting most of the internal taxes formerly belonging to the provinces, and distributing the proceeds to them on a quota basis adjustable every ten years. This innovation, while emphasizing the tendency to federal encroachment upon provincial autonomy, should result in more efficient administration and largely increased revenues.

In the spring of 1935 Congress also enacted a thoroughgoing reform of the monetary and banking systems. A Central Bank has been created with an initial capital of 30,000,000 pesos. It is given the exclusive privilege of issuing bank notes,[3] and must maintain a minimum reserve in gold, currency, or foreign exchange equivalent to 25 percent of its outstanding notes and other sight obligations. It has taken over the gold reserve of the former *Caja de Conversión* at the current market value instead of at the old value of the gold peso, which in effect cuts the gold value of the peso from 44 to 23¼ centavos, and permits a coverage of over 100 percent of the paper currency.

The Central Bank serves as the depository and financial agent of the government, and as adviser in foreign and domestic credit operations and in the issue and control of public loans. It becomes the new clearing house, exercises the function of rediscount, and may engage in open market operations by selling and buying

[1] This was not true of some of the provincial issues.

[2] The floating debt, which in 1930 amounted to over a billion pesos, has also been reduced, by repayment or consolidation, to 120 millions.

[3] Subsidiary money will be printed or coined by the national government on the demand and under the control of the Central Bank, but in no case may the amount outstanding of subsidiary money exceed 20 pesos per inhabitant.

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government securities; and it exercises general oversight of the banking system as a whole. At the same time the system is reformed by laws establishing compulsory reserve percentages in the Central Bank, restricting the investment of commercial bank funds in securities beyond two years, and providing for the strict supervision of all banks and banking operations at large. A Liquidation Institute has also been created to purchase the frozen assets of commercial banks with bonds or cash, such assets to be liquidated gradually by the Institute and applied to the redemption of the bonds given in payment. Whatever losses are incurred by the Institute will be met out of the profits realized by the Central Bank in the devaluation of the peso. The *Caja de Conversión* and the former rediscount and liquidation commissions of course disappear, and the old Bank of the Nation becomes a semi-official commercial bank, although retaining a few minor public accounts and sharing with the new bank its function of lending money to the government.

These reforms have long been a crying need in Argentina, and are without doubt the outstanding achievement of President Justo's administration, although they have aroused a surprising amount of criticism in some old fashioned quarters. They stabilize the peso at about its present international value, and offer no great danger of subsequent inflation. The situation of the private banks is considerably improved by the new control law, for some of them were very weak and reform was essential; and the Liquidation Institute has already permitted the reorganization and merging of several of the most important banks in the republic. The old system with its dispersion of functions among a number of autonomous institutions was incredibly clumsy, and the monetary system was about as inelastic as could be devised. By the Law of 1899 establishing the *Caja de Conversión*, any gold exports or imports as a result of fluctuations in the balance of international payments were immediately and automatically reflected in corresponding changes in the outstanding volume of notes of the *Caja*. The new legislation makes for centralization of control and for the more elastic currency essential in an exporting agricultural country.

In other respects the New Deal in its Argentine version has been remarkably successful in putting the country on the road to recovery. It has included control of grain prices and of foreign exchange, restriction of imports, increase of exports through

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bilateral trade treaties, a mortgage moratorium, and a program of public works. It is true that fortune favored Argentina in the form of rising world prices for agricultural and pastoral products, due in large measure to the North American drought of 1934. But for much of the recovery the measures of the federal government must receive credit. Most of the cost has been met not by taxation, but by the profits from exchange control and by the blocking of remittances abroad; in other words, it has been put upon the importers and those who purchase their wares.

With declining exports foreign exchange became scarce. The government therefore had to act to protect the peso. It forbade remittances without special permit. The result was a large accumulation of funds representing the cost of imported merchandise and the profits of foreign corporations. This exchange problem, serious for the government as well as for the private interests affected, was solved by the government's offer to borrow the blocked funds for 20 years at 4 percent interest; and thereby it came into possession of some 300,000,000 pesos with which to help finance its domestic program, including the conversion of the public debt. In November 1933 it issued decrees depreciating the peso 20 percent, requiring virtually all export bills to be sold to the government at a fixed rate, and setting up an import rate which was higher but more or less subject to supply and demand. It also established minimum prices for grains, and created a Grain Board to maintain the Argentine market and to sell for export at whatever price the world market afforded. Largely because of lack of storage facilities, the Board sold its stocks to exporters as rapidly as possible without unduly depressing the local price. For months it operated at a loss. Only the North American drought saved it from serious consequences in 1934.[4]

The government's profits from exchange transactions, estimated by bankers at about 200,000,000 pesos,[5] were used to finance the grain operations, and later for other purposes, such as subsidizing meat exports to Italy and paying bounties to the dairy farmers. Importers from countries with which Argentina had unfavorable trade balances were not permitted — as Americans know only too well — to bid for official exchange. They

[4] On December 13, 1935 the Grain Board suddenly raised the minimum prices of 5.75 pesos for wheat and 11.50 pesos for linseed per 100 kilos to 10 and 14 pesos respectively, causing an immediate rise in the price of these grains in the world market.

[5] The Exchange Commission, by selling some official exchange in the free market, also exercises a measure of control over the free rate.

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had to buy their drafts in the free market, which made their goods cost from 20 percent to 30 percent more. At the same time, in order to increase exports the government has made trade agreements with Great Britain and other nations, under which she promises that the full amount of exchange arising from Argentine sales to these countries will be made available for remittances to them. More recently, in April 1935, the Minister of Finance issued an additional decree providing that merchandise imported through the free exchange market must pay a customs surcharge of 20 percent. The government's contention is that purchases of Argentine products by any country must provide exchange sufficient to cover Argentine debt payments to that country, before any exchange can be granted for the importation of merchandise from it. This policy has imposed the greatest hardship upon the trade of the United States, and has left the impression in some quarters, perhaps unjustified, that the present Argentine administration, or at least some of its ministers, were not too friendly to this country.[6]

Other boards have been set up from time to time: a foreign trade advisory board; two meat boards, one charged with finding new export markets for beef and mutton, the other to establish an Argentine-owned packing house to compete with British and American packers who monopolize the industry; also an unemployment board, a dairy industry board, a grain elevators construction board, a board for coördinating transportation, a fruit board, a foodstuffs board, and a colonization board. Under the auspices of the National Meat Board has been created a nation-wide coöperative to which all cattle breeders must contribute one percent of their sales. Of the proceeds, 80 percent will be used as capital of the coöperative, each producer receiving one share in the organization for every ten pesos paid into the fund.[7]

The public works program of the administration includes the construction of motor highways. Argentina until very recently almost completely lacked modern, paved country roads, due in part to the absence of stone in the pampa, in part to the opposition of the British-owned railways. There is still everything to be done. The program also involves the building of grain elevators

[6] Up to the end of September 1935 Argentina had a favorable trade balance for the year with the United States, but discrimination continued, the surcharge being reduced to 12.5 per cent.

[7] In November 1935 retail butchers in Buenos Aires were reported to have declared a boycott against meat produced by the Coöperative, because it increased livestock prices by as much as 70 percent.

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in the interior — long a crying need, until now unheeded largely because of the opposition of the large exporting interests in Buenos Aires, who have no desire to see the farmer protected by the easy availability of storage facilities. On these and other public works some 300,000,000 pesos are being spent over a period of three years, met largely by the issue of public works bonds.

The extreme nationalism evinced in the Argentine recovery program has occasioned, as in Chile and Brazil, a considerable expansion of native industry to supply articles formerly purchased abroad. Domestic industries have been promoted and protected in every possible way. During the past few years there has been an impressive growth along many lines: shoes, textiles, canned goods, toilet preparations, glass, furniture, pneumatic tires, etc. Argentine shoes already equal the British-made in quality and workmanship, and the development of textile manufactures is rapidly making the country independent of the foreigner. In fact, some New England textile interests, after steadily losing their export trade, have been transferring their plants entire to Buenos Aires.

In spite of Argentina's limited mineral resources, a considerable amount of industrialization is inevitable, given the large opportunities of the domestic market. Yet that market is not large enough to afford the cheapness, efficiency and good quality of really large-scale production. This is especially true because industry, as in most South American countries, is protected by a very high and uneconomical tariff. Under such conditions, foreign markets, even in the peripheral countries, are out of the question. Argentina's neighbors thus will probably find it more to their interest to continue to import from the United States and Europe. Industrialization, moreover, binds the nation to the policy of high protection, which means in the long run a higher cost of living than would otherwise be necessary. And high prices for manufactured goods do not contribute to the country's ability to produce agricultural crops at competitive prices for the world markets. Nevertheless, although further development of Argentine industry may be slow, the republic will never again import in quantity many articles which formerly came from abroad.

With good crops and rising prices, Argentina's foreign trade during the past two years has been expanding, as in the case of most other South American States. Exports in 1934 increased about 28 percent in value and 11 percent in volume over those of

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the previous year, and the favorable trade balance rose from 223,000,000 pesos to over 300,000,000. During the first eleven months of 1935, exports increased again by 7.4 percent, to over 1,415,000,000 pesos, and the trade balance stood at 336,700,000. Although during the past year commerce with the United States has doubled, and that with Great Britain has somewhat declined, the latter country still holds the premier position in the markets of Argentina and purchases nearly a third of her exports. After the World War, when New York was for a time the world's financial capital, Argentine currency came to be tied to the American dollar; but since 1929, with the drying up of the American market for loans and the official depreciation of the dollar, Argentina seems again definitely to have aligned herself with the sterling bloc. It would perhaps be too much to say that Buenos Aires is the financial satellite of London. The government, however, is reported to be keeping a balance in London, in gold, of close to £60,000,000.

Argentina is also branching out into new lines, such as fruits and cotton. To the United States and Europe she is sending raisins, pears, apples and melons. Cotton acreage during the past decade has increased over 500 percent. In the northeastern areas — Chaco, Formosa and Corrientes — and in the neighboring provinces of Santiago del Estero and Santa Fé, future possibilities are said to be excellent. The rapid expansion of cotton production is due directly to official encouragement, and dates from the announcement of the cotton curtailment program of the United States Government. A vigorous "plant-more-cotton" campaign was begun, pioneers were provided with land and selected seed, the creation of standard types of fibre was accelerated, and in May 1935 a National Cotton Board was organized under the Ministry of Agriculture to supervise these manifold activities. The result was that in 1934 Argentina increased her production 34 percent, and exports rose to over 27,000 tons (about 120,000 bales), most of them sent to England and Germany. In 1935 production and exportation continued to expand at a startling rate. The acreage has been officially announced as 70 percent above that of the previous year, or over 800,000 acres, and exports as close to 200,000 bales. The government also plans to bring ten Texas and Mississippi cotton farming families to Argentina in 1936 to serve as "missionaries" among the Argentine planters.

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The chief cotton problem for Argentina is to find an adequate labor supply. Most of the cotton is grown by small planters who are financed by various purchasing companies. Living conditions are very primitive, wages are low, and the climate of the Chaco (which at present produces 90 percent of the cotton) is distinctly hot and not conducive to labor by white colonists. Although since 1914 the population of the Chaco Territory has increased from 46,000 to over 200,000, it is a question whether sufficient numbers can be persuaded to settle in that area to make cotton the important source of national wealth which the government seems to have in mind. Nevertheless the possibility remains of producing considerable quantities for export on a competitive basis.

The economic crisis of the past six years, in Argentina as in many other countries, has been reflected in unsettled political conditions, including the threat of a conservative or fascist dictatorship. Although after the Revolution of September 6, 1930, the republic within a year returned to constitutional government, the political situation still remains somewhat obscure. In the September Revolution the conservative elements of the country (out of office since the Radical victory of 1916), in league with a group of the high command in the army, took advantage of the general discredit into which the Irigoyen administration had fallen to seize the government. The provisional régime of General José F. Uriburu which followed made the mistake of trying to use the situation to restore this conservative minority to permanent political control; and when finally forced to hold a general election in the autumn of 1931, it succeeded in keeping the Radical Party, the most powerful in the country, from participation.[8] The resultant election of General Agustín P. Justo to the presidency was achieved by the votes of the conservatives and of some of the so-called *anti-personalista* foes of Hipólito Irigoyen. The only opposition candidate, Lisandro de la Torre, had the support of the socialists of the great city of Buenos Aires.[9]

In the previous decade the Radical Party had been split into two camps, the *anti-personalistas*, or followers of President Alvear (1922–28), and the *personalistas*, or followers of the party's remarkable chieftain, Irigoyen. General Justo, since the time he

[8] By refusing to accept as candidates the only leaders whom the radicals would put up for election.

[9] The socialists in Buenos Aires are very well organized under able and experienced leaders. Their representatives seem to be among the few men in Congress who make careful studies of social and economic problems, and they contribute largely to the enacting of constructive legislation.

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served as minister of war under Alvear, had been identified with the anti-personalist group. But his administration has leaned heavily upon the conservatives (or National Democrats as they have called themselves since the 1930 revolution), although the government represents various shades of political opinion. Until recently the cabinet was divided into two antagonistic sectors: one, led by the Minister of the Interior, Leopoldo Melo, advocated democratic methods and the maintenance of popular control; the other, led by the Ministers of Finance and Agriculture, Federico Pinedo and Luis Duhau, seemed to incline toward arbitrary methods of government and control by the cultivated and well-to-do minority. The victory of the former would mean the assurance of free elections and the return to power of the Radicals; if the other should prevail, Argentina will revert to government by an oligarchy of the wealthy such as existed before 1916. Much, if not everything, depends upon the decision of the President. Melo and his associates, as former *anti-personalistas*, probably feel that the recovery of the Radicals will insure their own political future. The conservatives now in control wish to hold on for fear of what the Radicals will do to them if they regain the ascendency.

Without doubt the most numerous and powerful party in Argentina is the Radical. Today it has no share in the national government, and it is questioned whether it will be allowed to win the national elections of 1937. Under the leadership of ex-president Alvear, internal dissensions seem to have disappeared, and the party is taking on renewed strength and vigor. In the Province of Tucumán early in 1935 the Radicals won the governorship against a conservative candidate, the first election in which the party has officially participated since 1931. And in several more recent contests, in the Federal District and in the Province of Cordoba, the government parties suffered defeat. The greatest attention, however, was focussed upon the Province of Buenos Aires in November 1935, where most people conceded that in a free election the Radical Party would win by a sweeping majority. Electioneering was of the bitterest sort, and the methods used by the conservative (governing) party were described by Buenos Aires newspapers as the most fraudulent, scandalous and violent in the country's history. In consequence of these methods the Radicals were overwhelmed, except in the capital, La Plata, where the polls were more fairly managed. Honorio Pueyrredon, former

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ambassador in Washington, was the candidate for governor on the Radical ticket.

These events have given much comfort and encouragement to the rapidly growing fascist movement. There have been two national fascist organizations in the country, the *Guardia Argentina*, divided into some seven societies, and the *Legión Cívica*. The latter, the original fascist group and perhaps the largest, was organized in 1931 during the provisional presidency of General Uriburu, by the Minister of the Interior, Matías Sánchez Sorondo, as a private militia to protect the government against a Radical counter-revolution.[10] The two groups were reported in November 1935 to have united as the National Party.

The fascists are scattered throughout all the provinces, with a small nucleus in every important center; but their total number is probably not large. They claim some 50,000 members in the city of Buenos Aires and 150,000 in the country at large, but these figures may be exaggerated. Their chief weakness seems to have been lack of central direction and of a prominent, outstanding leader. Their program apparently includes the abolition of the present political parties and of the national congress, a reduction in the size of the bureaucracy, the complete centralization of political power, and the creation of a legislature embodying corporate representation. On the economic side they propose to develop a planned economy which will eliminate the "parasitism" of the middleman and abolish the financial and commercial hegemony of the city of Buenos Aires, insuring a more equitable distribution of wealth and population throughout the provinces, and a fairer return to the producer for his labor. The conception of Buenos Aires as a gigantic and parasitic complex of bureaucrats, middlemen and lawyers, exploiting the producers and sucking the life-blood of the country, is shared by some of the extreme radicals, and is perhaps not without a basis of truth. In other words, in Argentina as elsewhere in the world, in their practical program extreme Right and extreme Left have much in common.

The success of the fascists, however, depends in the final analysis upon the army, for another coup d'etat would be possible only with its support and coöperation. And as to the army, opinions

[10] Sánchez Sorondo is now a senator from the Province of Buenos Aires. The commander-in-chief of the *Legión Cívica* is Colonel Emilio Kinkelin, a prominent member of the conspiracy which overthrew President Irigoyen in 1930, the man who unattended entered the Government House on September 6 and forced the resignation of Acting President Martínez.

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differ. Traditionally the military services of Argentina have remained divorced from politics, and Argentine liberals believe that they will so remain. The fascists apparently think otherwise: in other words that the higher officers may again play an important rôle as in 1930. Under the provisional presidency of Uriburu they enjoyed an importance and prestige they had not known since the days of President Roca a half-century earlier. They were brought into contact with the best social circles, gaining experience and self-confidence and a consciousness of political and administrative capacity. This is the chain of fascist reasoning, and doubtless *sub rosa* they are endeavoring to make good the argument. But whether radical or conservative sympathies predominate among army and navy officers as a group, it is impossible to say.

Much seems to depend upon the course pursued by President Justo, himself a soldier by profession, to whom the bulk of the army is probably loyal. Without Justo's support the establishment of a fascist or conservative dictatorship is extremely unlikely. In spite of the reactionary tendencies observable in many spheres of administration, both national and in some of the provinces, the president's sympathies probably lie with the liberals. Moreover, he may be certain that a fascist coup would inevitably lead to his elimination from the government. There is also no question but that the opinion of the great mass of the citizens (and incidentally of the foreign residents) is opposed to the violation of constitutional practice and of democratic suffrage. Without the president, and with the bulk of the nation hostile, a coup d'etat cannot be permanently successful.

There is however every indication that if the Radicals return to power there will be an intensification of the campaign against foreign capital, the beginnings of which were apparent in the congressional debates of 1935. A large section of the population believes that the country is being exploited by the railways, the *frigorificos* (cold-storage plants), the light and power companies, the telephone company, and the great grain exporting firms.

The *frigorifico* question is an old one. English and American packing companies have long been accused of maintaining a combination in restraint of trade, fixing arbitrarily the prices paid to the *estancieros* (ranch owners) and making profits not justified by industrial efficiency. This relates especially to the export trade with Great Britain, the principal consumer of Argentine beef

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and mutton, in which the cold storage plants are closely connected with the maritime freight conference and with the wholesale and retail distributors. A system of quotas for export existed long before the London Treaty of 1933, for several of the firms possess packing houses in other countries, including the British Dominions. Their privileged position is due in part, it must be admitted, to the indifference of the Argentine ranch owners, who until recently have never seriously tried to enter into the business of preparing and marketing their cattle; they were content to enjoy the convenience of selling to the buyers at the ranches at prices which formerly gave them a handsome profit. Today, with lower prices and meagre profits and the threat of reduced markets abroad, the cattle-breeders are aroused; and although the position of the packers is not easily assailed, measures to break the foreign monopoly are not unlikely in the near future.[11]

The livestock industry of Argentina faces a serious problem in the efforts of the British Dominions at the Ottawa Conference and since to exclude Argentine meat from the English market in the interest of "Empire trade." When the London Treaty comes up for revision this year, an attempt may be made to abolish the quota system and substitute an import duty. Such a duty, even if it gave some preference to the dominions, might be of advantage to Argentina, since it would enable her to bring into play the factor of low production costs. In any case, since from 75 to 80 percent of the country's entire livestock production is consumed at home, the outlook for the industry, in view of Argentina's increasing population, is not tragic.

Within the past few years the export trade in grain has come to be concentrated in the hands of two great export houses with world-wide connections, a circumstance which gives them more or less the same privileged, monopolistic position in relation to the producer which is charged against the packing companies. And it is not unlikely that, should fascists or Radicals come to rule the country, this situation will occupy the attention of the government.

[11] In November 1934 Mr. Richard Tootel, general manager of the British-owned Anglo-Packing Company, was arrested for refusing to answer questions of the Senate meat investigation committee. Later he was released, but was re-arrested when a midnight police raid on a steamer owned by the parent Vestey interests disclosed that the Anglo-Packing Company's books were being shipped to London in cases marked "canned beef". He was again released on the plea of ill health, and remained under police guard in his home, but eventually was allowed to retire to England.

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The principal railways of Argentina are British-owned, and represent the largest single item of foreign capital investment in South America. They are beginning to feel the competition of motor traffic which has so seriously undermined the position of railways in other countries. Because of this and the circumstances of the depression, their income has declined from 185,000,000 pesos in 1928–29 to 48,000,000 in 1934–35. And with the federal government's extensive program of road building their troubles are going to increase. Their past financial policies have not aimed to build up large reserves, and they have done little to improve or modernize their equipment. Freight rates, too, have always been high; indeed, it is said that 40 percent of the export cost of Argentine grain is in transportation to the sea. Railway profits have meanwhile been concealed by the device of interlocking equipment companies. The future for motor trucking in a flat country like the Argentine pampas is obvious, and the fact that the railways in the past have consistently used their influence to oppose the building of adequate roads does not strengthen their position in public opinion. On the other hand, Argentina's most important foreign market is England; the spectre of "imperial preference" has not been exorcised; and the Argentine Government will perhaps hesitate to treat in cavalier fashion enterprises in which British capital is so heavily involved.

The electrical industry in Argentina is also beginning to come in for its share of public attention. At present over a billion pesos is invested in "light and power," represented by 471 companies maintaining 783 plants which distribute electrical energy to about 800 towns and cities.[12] The capital is mostly foreign (American and Foreign Power acquired a large stake in the industry before 1930). The light and power interests are accused of charging monopoly rates, in a country which has no public service commissions, and of obtaining or renewing their concessions, especially in the smaller towns, by irregular if not dishonest means. There has, as a matter of fact, been a widespread tendency to build municipal plants when the old concessions run out, and the circumstance that some of these plants charge half as much for current per kilowatt hour as do most of the private companies, whether justified on a strictly business basis or not, furnishes argument to the Radical politicians. Probably most of the small companies are over-capitalized. At any rate, the opening guns

[12] From a recent report of the Ministry of Agriculture.

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of the anti-utilities campaign have already been fired in the national congress, and no one can tell what the future will bring forth.

That future hangs largely upon the outcome of the present conflict between oligarchy and democracy. In recent cabinet changes one may detect a growing tendency to recognize the strength of the Radical Party, although there may also be a desire for greater harmony in the national administration. The resignation in December 1935 of Manuel de Iriondo, Minister of Justice and Public Instruction, so as to be eligible as a candidate for the governorship of the Province of Santa Fé (in itself of no great significance) provided the occasion for the elimination of the two ultra-conservative ministers, Pinedo and Duhau. After the acrimonious debates in Congress last July, culminating in the assassination of Senator-elect Bordabehere, they had stood practically alone in the cabinet, and only the determination of the President to see consummated the plans for the Central Bank and the Liquidation Institute prevented a "crisis." The November provincial elections in Buenos Aires may have helped to bring it to a head. At any rate, on December 30 the whole cabinet offered their resignations; but only those of Messrs. Iriondo, Pinedo and Duhau were accepted.

The three ministers who replace them are moderate men. One is an anti-personalist Radical and two are conservatives. The change does not seem drastic. Nevertheless the general feeling prevails that President Justo is gradually swinging toward the Left. Within two or three years most of the provinces will be controlled directly or indirectly by the Radical Party, and the composition of Congress will be considerably altered. Nor will the fact that the conservatives, who came into power in 1930 with a demand for clean politics and honest administration, have almost everywhere behaved as badly as their predecessors be an obstacle to the recovery of power by the Radicals.

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JAPAN: A CLINICAL NOTE

By Barbara Wertheim

EVER since the Manchurian incident, Japanese foreign policy has been reaping the world's condemnation. Unlike an individual, a nation cannot admit itself in error; so Japan's only answer has been to tell herself that her judges are wrong and she is right. To strengthen this contention she has built up the belief that she acts from the purest motives which her fellow nations willfully misunderstand. The more they disapprove, the more adamant grows Japan's conviction that she is right.

This conviction of righteousness, and its corollary, the feeling of being misunderstood, finds daily expression in the speech and press of the country. An example is the following passage from an editorial on the Ethiopian conflict: "There must be some reasons that justify Italy in attempting to solve the Ethiopian situation by force, but Premier Mussolini seems to have been misunderstood by the other Powers. . . . Our country went through bitter experiences as a result of such misunderstanding at the time of the Manchurian Incident. . . . The world attributed that Incident to the Japanese military and denounced it harshly. This was the outcome of lack of correct knowledge about the situation on the part of the other Powers."[1]

Not only are other nations delinquent in understanding. The next most frequent charge made against them by the Japanese is that they fail to show sincerity. An instance is the stand Japan takes concerning her refusal to sign a non-aggression pact with the Soviet Union. She justifies her position by carrying the attack into the enemy camp. "The Soviet Union is laboring under a mistaken notion about Japan," says an Army spokesman. "If they really want peace in the Far East they should show us the sincerity of their intentions . . . before seeking to conclude a non-aggression pact with this country."[2]

Injured innocence is an attitude which Japan frequently assumes in answer to foreign disapproval. Last summer when the League Council adopted a resolution condemning Germany's denunciation of the Versailles Treaty, the Soviet delegate suggested that a similar resolution might be applied to the Far East. A Japanese editorial on the subject stated: "It is clear that the Soviet representative had Japan in mind," and then asked blandly, "Has Japan done anything in contravention of international treaties?"[3] Needless to note, the editorial made no mention of the Nine-Power Treaty. Again, Japan points with fine indignation at one of her foreign critics who, during the Manchurian Incident "went so far as to charge Japan with occupying Chinese territory?"[4]

[1] From the *Jiji*, July 10, 1935. (This and subsequent quotations are taken from the *Japan Advertiser's* daily translations of editorials appearing in the vernacular press. The sources given, however, refer to the Japanese paper in which the particular passage was originally printed.)

[2] Major-General Itagaki, Assistant Chief-of-Staff of the Kwantung Army, quoted by Rengo News Agency in the *Japan Advertiser*, April 24, 1935.

[3] *Miyako*, April 20, 1935.

[4] *Gaiko Jiho* (*Revue Diplomatique*), August, 1935.

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With its implied horror at the accusation of having occupied Chinese territory, as if it were an act of which Japan had never dreamed, a statement like the above seems to foreign readers incredible. In real bewilderment the foreigner asks himself what purpose the Japanese believe could be served by such obvious pretense. The only answer is that to the Japanese it is not a pretense. So completely divorced is the Japanese mental process from the Occidental, so devoid of what Westerners call logic, that the Japanese are able to make statements, knowing they present a false picture yet sincerely believing them. How this is accomplished it is impossible for a foreigner to understand, much less attempt to explain. That appearances mean more than reality to the Japanese mind is the only clue the writer can provide. A fact as such means little to a Japanese; should he be forced to face certain unacceptable facts he will cut them dead, just as we might cut an unwelcome acquaintance on the street.

Responsible for this attitude is the conception of "face." Everyone has heard of the importance of face to the Oriental, but unless one has lived in the Orient one cannot realize just how vital a part it plays; how it enters into every word, thought, and act of existence. The appearance put upon an act, and not the act itself, gives or causes loss of face. To draw an example from ordinary life, a Japanese taxi-driver will never ask the way to an address he does not know, although he knows he is lost and you know he is lost. He prefers to cruise around helplessly for hours, using up gasoline and time at his own expense (for in Japan the fare is a flat rate and not by meter), simply for the sake of preserving the appearance of knowledge, thereby saving his face.

It is the ability to disregard facts without feeling any sense of inconsistency which allows them to make statements like the following, apropos of Japan's imminent departure from the League of Nations: "Japan has been a constant supporter of the League and her membership in it has been a powerful factor in maintaining peace in the Far East and on the Pacific."[5] It is not hypocrisy, certainly not deliberate hypocrisy, which is responsible for so strange a remark, any more than it is hypocrisy that allows a devout religious mind to believe in miracles or a child to believe in fairy tales.

Because their mental processes are not alike, Japan and the West find diplomatic intercourse a difficult matter; and what augments the difficulty is the fact that, from the foreign point of view, the Japanese have no understanding of the word "negotiate." Negotiation between two Western states is the mutual attempt to approach common ground. Its essence is compromise. But the concept of compromise is quite foreign to the Japanese. To them, diplomatic negotiation means the effort of each national representative to put over his own plan intact, the end in view being that one shall win and the others shall lose. The Naval Conference this year has been an illustration of Japan's attitude. Arriving at London with a fixed determination to obtain parity or nothing, the Japanese were not prepared to yield a single ton, regardless of what was proposed. So inflexible were their minds that they finally withdrew, having contributed nothing to the Conference and having gained nothing for themselves. The following passage from a pamphlet issued by the Navy shows how the Japanese miss the purpose of international negotiation. "Victory," it says, "is dependent on relative strength, and there is no better way to assure

[5] *Jiji*, January 5, 1935.

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relative strength than to obtain absolute superiority."[6] So irrefutable is the statement that it defies comment, but it helps to reveal how little understanding of the principle of compromise there is in the Japanese mind.

More fundamentally troublesome to Japan's foreign relations than the disability or disinclination to use Occidental tactics in the practice of diplomacy, is the combination of an inferiority and a persecution complex which she feels vis-à-vis the West. The original cause lies in the fact that, at the time the white man first set foot in the Orient, he was able to assume and hold a superior attitude; the attitude of teacher to pupil, of governor to subject. Though in Japan this unjustified relationship no longer exists, traces of its influence will not be obliterated for a long time. Sixty years ago the Japanese made up their minds that the only way to end an unequal association would be to adapt to themselves the civilization of the West. They have succeeded, but at the cost of part of their own integrity. For now the Japanese live under a system not their own; it is one which they have copied. They have become imitators, and an imitator can never feel himself the equal of an originator.

Although well concealed behind an aggressive front, the sense of inequality is always present to make Japan suspect a slight or threat in every act of her neighbors. She is, for instance, extremely sensitive to any possible slur on her position as a major power. With that in mind one realizes that her demand for naval parity is due less to strategical reasons than to a desire to have her status as a major power vindicated before the whole world.

Where her sensitivity is even more acute is in the realm of racial prejudice. Apropos of anti-Japanese activities in the United States, a Tokyo newspaper says: "A contributing factor to this agitation is racial. We, who take pride in the fact that we are one of the three greatest nations in the world, and comparable in any way with any foreign country, cannot tolerate the slight put upon us by the Americans".[7]

Although Japan's racial sensitivity has undoubtedly received provocation from without, especially from the United States, her quickness to see a threat in every act of her fellow nations is born of an inherent feeling of insecurity. This in turn generates a persecution complex which finds expression in Japan's shrill cries of "Danger!" each time one of her neighbors makes a move. For example, American naval maneuvres in the western Pacific last summer were denounced as being actuated by the desire "to dominate over" [8] Japan, and an announcement of the proposed trans-Pacific air route was described as "exposing to the whole world the United States' aggressive plans against the Far East." [9] And that perennial irritant, the naval ratio system, calls forth this characteristic comment: "It passes the understanding of the Japanese that the equality proposal, so fair and just, should have failed to find the support of Great Britain and the United States, except on the theory that the Anglo-Saxon races are bent on arresting the advance of the Yamato race."[10]

In these conditions the relations between Japan and the West will continue to present most difficult problems of diplomacy.

[6] Translation of the pamphlet printed by the *Japan Advertiser*, May 28th, 1935.
[7] *Miyako*, February 19, 1935.
[8] *ibid.* May 1, 1935.
[9] *Nichi Nichi*, April 26, 1935.
[10] *Kokumin Domei*, February 13, 1935.

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OIL FOR ITALY

By William O. Scroggs

TO ITALY, engaged in a military venture in East Africa, oil is probably the commodity of the greatest strategic importance. A committee of experts of the League of Nations has estimated that if a general embargo were laid down on oil shipments to Italy the present stocks of that country would be exhausted in from three to three and a half months. This obviously would halt the campaign in Ethiopia.

In its early efforts to check the flow of oil to the belligerents the United States went further than any of the other Great Powers. It gave a broad interpretation to existing legislation, and where legal authority was lacking it resorted to moral suasion. Its policy during the autumn of 1935 clearly indicated a desire to prevent any action by American citizens which might thwart efforts of the League of Nations to end the war by economic pressure against the aggressor. Despite that, the League's committee of experts, in its report of February 12, 1936, found that the policies of the American Government were an obstacle to the adoption of an oil sanction by members of the League. It believed that such a sanction would be ineffective unless the United States agreed formally to restrict oil exports to Italy to the normal peace-time level.

The committee's action was widely interpreted in the United States as an effort to shift to American shoulders the responsibility for the failure of the member states to agree promptly to discharge their duties under the Covenant. But motives need not concern us here. The important question is whether the judgment was in accord with the facts. Had the United States indicated a purpose to break through an embargo which might be imposed against Italy and thereby to reap rich war profits at the expense of self-denying members of the League? Were the normal American shipments of oil sufficient to frustrate collective action by the League members against an adjudged aggressor?

At least two facts seem well established: (1) the amount of oil shipped to Italy from this country even under the existing war-time demands is only a small portion of Italy's total purchases; and (2) the Administration at Washington has used every means at its command, compatible with existing legislation, to check such shipments from the United States. Since these are vital points in any discussion of an oil sanction, they deserve consideration in some detail.

Before the outbreak of the war in Ethiopia, Italy's purchases of American petroleum products were relatively unimportant. In the years 1931–1934 she obtained only 6.6 percent of her supplies from the United States, and her American purchases during the first nine months of 1935 were in approximately the same proportion. Rumania and the Soviet Union were Italy's chief sources of supply; together they furnished nearly two-thirds of her requirements. After launching her campaign in East Africa, Italy greatly increased her imports of oil. But for obvious reasons the government has maintained complete secrecy with regard to its procurement of war materials.

The League of Nations committee of experts has estimated Italy's purchases

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in 1935, excluding bunker oil bought by Italian ships in foreign ports, at 3,800,000 tons, compared with 3,000,000 tons in 1934, an indicated increase of 27 percent. It appears from the available figures that the increase in American oil exports to Italy during 1935 was relatively much greater than that for other countries. If the League committee's estimate of the total increase in 1935 at 800,000 tons is reasonably accurate, it would seem that something like 290,000 tons came from the United States and the remaining 510,000 tons from other producing countries.

This estimate is based on export statistics of the various producing countries. American exports of the more important petroleum products to Italy in the past two years were as follows:

AMERICAN PETROLEUM EXPORTS TO ITALY, 1934–35
(in thousands of metric tons)

	1934	*1935*	*Tonnage Increase*	*Percentage Increase*
Crude petroleum.....	62.0	206.6	144.6	233.2
Fuel oils.....	61.9	152.7	90.8	146.5
Gasoline.....	7.2	50.2	43.	597.2
Lubricating oils	44.2	63.3	19.1	43.2
Total.....	175.3	472.8	297.5	169.7

While the percentage of increase for the United States is much greater than that for the producing countries as a whole (169.7 percent, as compared with 27), it is to be noted that this expansion of the small American exports of previous years, at a time when other countries were also increasing their shipments, raised the American proportion of sales to the Italian Government only to 12.5 percent of the total for the full year, 1935, and to 17.8 percent for the war months, October–December, 1935.

The League committee, however, based its findings not on actual but potential exports from this country. It attached little significance to the 6.6 percent quota of 1931–1934 and pointed out that "the quantity of oil products available for export from the United States greatly exceeds Italian probable demands." By implication the committee suggested that the United States might make a definite commitment, which it was under no obligation to do, before the League members themselves undertook to discharge their obligations under Article XVI of the Covenant. Such a proposal should be examined in the light of the official attitude adopted by Washington regarding trade in war materials not specifically forbidden by the Neutrality Act of 1935.

During the last quarter of 1935 the United States Government, acting on its own initiative, took the lead in: (1) placing an embargo on the export of arms, ammunition and implements of war; (2) warning its citizens that "transactions of any character with either of the belligerents" would be at their own risk; (3) urging them (October 10, 20, 27 and 30) not to be tempted by trade opportunities which would prolong the war; (4) advising manufacturers not to accept war orders from Italy; (5) denouncing the increasing exports of oil and other war materials as "directly contrary to the policies of this government"; (6) requesting shipping companies indebted to the government on ship purchases or construction loans not to carry unembargoed war materials to the

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belligerents; and (7) preventing the departure for Italy of a loaded tanker on which the government held a mortgage then in default.[1]

In contrast with this procedure, the League's oil policy in past months seems to have been timid and vacillating. Consideration of an oil sanction was brought up at Geneva on November 2, on December 12, on January 20, and on March 2. On each occasion it was postponed, and a decision is still awaited as these lines are written. Italy meanwhile has taken advantage of the delay to accumulate still larger stocks. Moreover, all the countries recently selling oil to Italy, except the United States, are either members of the League or territories belonging to members, and every one of these countries was represented on the Coördination Committee created expressly to deal with sanctions. Although the Soviet Government took a strong stand at Geneva in favor of sanctions, it did not hesitate in the meantime to place large contracts with the Italian Government for the delivery of oil at Black Sea ports. And the British Government has been indirectly purveying oil to Italy through the Anglo-Persian Oil Company, in which it holds a controlling interest.[2] In fairness to the Anglo-Persian and the Soviet producers, however, it should be said that, unlike their leading competitors, they actually sold less oil to Italy in 1935 than they did in 1934.

It is also true that American exporters were making record sales to Italy in this period in spite of the Administration's efforts at moral suasion. Nevertheless, the American oil companies which had obtained the bulk of the export business seem to have been disposed (at first, at any rate) to follow the suggestions of the Department of State and limit their sales to Italy to normal amounts. But brokers and companies which previously had had no foreign business began to accept Italian orders, and exports increased by leaps and bounds. The Administration hoped to correct this situation by new legislation empowering the President at his discretion to restrict American sales of key commodities to the usual peace-time volume. But proceedings at Geneva weakened American faith in the intentions of the League States ever to enforce a real oil embargo, and the new temporary legislation enacted by Congress in February did not authorize the President to impose such restrictions.

When Sir Samuel Hoare and Premier Laval showed their readiness to forget sanctions and anti-war treaties and to appease Premier Mussolini at the expense of Ethiopia, the Administration discovered that it had been left out on a limb. Its attitude under such circumstances became more passive; its ardor for moral suasion abated; and it showed a disposition to "wait and see" before making any further moves.

[1] For details of these actions see Dulles and Armstrong, "Can We Be Neutral?", Chapters V and VI.

[2] Shipments of Soviet oil to Italy from October to December 1935, after war had begun in Ethiopia, are estimated at 128,900 tons, or 14.6 percent of the total sent to Italy in this period. For Persia the corresponding figures are 39,000 tons and 4.4 percent.

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SOVIET TRANSCAUCASIA

By A. O. Sarkissian

GEOGRAPHICALLY the Transcaucasian region forms a bridge between East and West, between Asia and Europe. Politically it has been a perpetual battleground of opposing civilizations and of invading armies; this in part accounts for the fact that it is the cradle as well as the grave of numerous cultures. Each of the conquering Powers left the imprints of its particular civilization upon the inhabitants of the land. This is particularly true of Russia, the last of the invaders. Transcaucasia as it exists today has been very largely conditioned by the century and a half of Russian domination.

Before the advent of Russia, the areas included in the present Socialist Soviet Republics of Armenia and Azerbaijan and in the eastern part of Georgia were under Persian domination. Almost all of the remainder was held by the Ottoman Turks, though some of Georgia enjoyed a certain degree of independence. But this state of affairs changed when the colossus of the north reached the Caucasus towards the close of the eighteenth century. By a proclamation of July 24, 1783, Catherine the Great placed most of Georgia under Russian suzerainty. Thirty years later the rest of Georgia, along with half of Azerbaijan, passed to Russia by the Treaty of Gulistan. After the war of 1827–1828 Persia had to surrender all territories on the left bank of the Aras river, which is still the boundary between the Soviet Union and Iran (as Persia is now called). Thus, in less than half a century Russia had become master of Transcaucasia. Today the area is an integral part of the Soviet Union under the euphemistic term "Federated Republic."

The Transcaucasian Socialist Federated Soviet Republic is one of the seven principal units of the Soviet Union. This particular unit is made up of the Republics of Armenia, Azerbaijan and Georgia, with an aggregate area of about 80,000 square miles and a population of slightly over 7,000,000. The population contains 2,100,000 Georgians, 1,900,000 Azerbaijan Turks, and 1,700,000 Armenians; about half of the remainder are Russians and the rest Ossetians, Lesghians, Talishians, Greeks, Kurds, and other tribes. Somewhat more than three of the seven million live in Georgia, slightly under three million in Azerbaijan, and a little over one million in Armenia.[1]

A mere glance at these figures reveals one striking fact: the rather negligible third place occupied by Armenia. Armenia stands third in nearly every respect except in homogeneity of population; here she assumes priority over both her neighbors. But her racial homogeneity was attained at the price of some territorial sacrifices which she can ill afford. A brief review of the recent history of Transcaucasia, however, will make plain why this third partner is so unequally treated under a supposedly *egalitarian* system.

The Georgians have managed to remain in their ancient homeland and to guard at least a part of their territory against aggressors. The Azerbaijan Turks to a lesser degree have succeeded in doing the same. But the case of the Arme-

[1] Some of the material used in this article was gathered while the writer was visiting Transcaucasia in 1935 on a fellowship granted by the American Council of Learned Societies.

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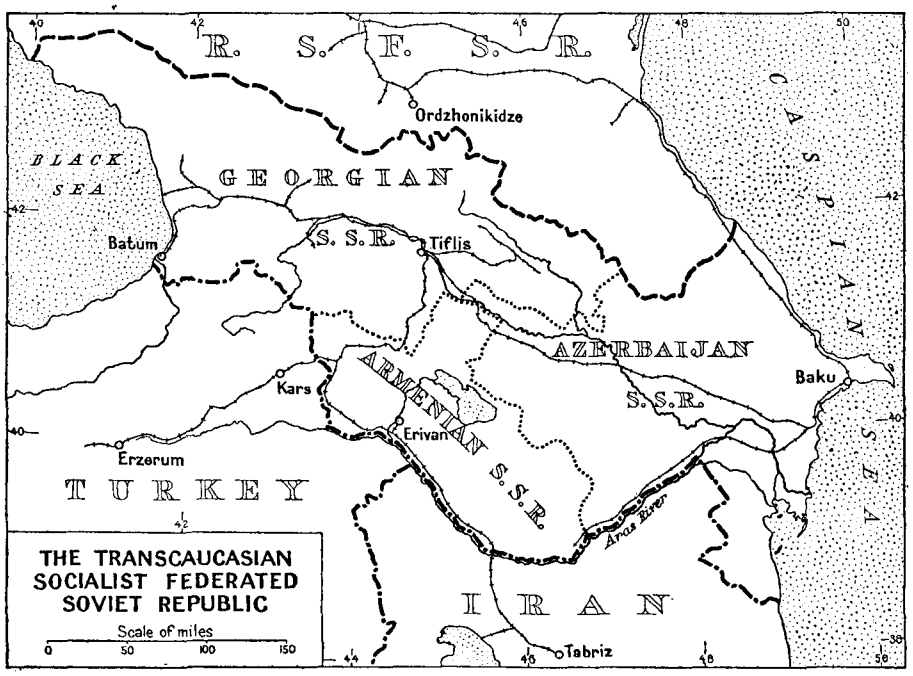
nians, as is well known, is quite different. As a result of successive invasions of the Armenian highlands in the Middle Ages and in later times, the native inhabitants of that region had been obliged to emigrate. This exodus had so badly depopulated the land of its Armenian elements that when Russia took it over in the early nineteenth century the Armenians formed only a minority group. It was not until after the Russo-Persian and Russo-Turkish wars of 1827–1829, and as a result of the subsequent return immigration, that the Armenians began to constitute a preponderant group there once again. But as many of their lands had already been appropriated, the Russian Government permitted groups of Armenians to settle in other parts of Transcaucasia. Some of the present-day Armenian *enclaves* in Georgia and in Azerbaijan have their origins



in this haphazard colonization. Of course they were uninvited guests in their new habitats. The Georgians in particular resented their presence in about the same spirit as the Arabs resent the presence of the Jews in Palestine today.

The Georgians and the Armenians are the only two peoples in Transcaucasia which can boast of a civilization and history reaching back many thousands of years; and they are the only Christian peoples in this whirlpool of varied creeds. But there is practically nothing else in common between them. Indeed, their characteristic traits and traditions have moulded their lives along such divergent lines that their contrasts rather than their similarities stand out. The nation of "mostly nobles and mostly poor," as Bryce once described the Georgians, always resented the decline of its aristocracy and feudal institutions, and looked down upon the entire range of middle-class bourgeois professions. The Armenians, on the other hand, showed an unquenchable thirst for nearly

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all things scorned by the Georgians. In contrast to the unchanging Georgian nobility, the Armenians of Georgia adapted themselves to the exigencies of a rising industrial civilization. Gradually they set up new industries and got control of the old ones. The tactics they employed in thus securing a preponderant hand in the commerce and industry of Transcaucasia were not unlike those used by the Jews in Palestine. It is true that Georgians also benefited by the industrialization of their land; but they could not get over the feeling that the Armenians were securing the lion's share. The causes of antagonism between these two peoples are thus to be traced back to the mid-decades of the nineteenth century. Later the gap that separated them was widened by the general resurgence of violent nationalism.

If there is the tie of religion between the Armenians and the Georgians, there has been no tie, either historic, sentimental or religious, between the Armenians and the Azerbaijan Turks. Religion is of course the chief barrier. But the enmity of these two peoples is due to more than that.

For centuries the Armenians in Azerbaijan constituted a serf class under the khans and begs, who treated them with considerable brutality. After the Russian conquest these serfs were liberated. The Tsarist government treated the Armenians with indulgence, which naturally greatly displeased their former Moslem overlords. The begs soon realized that their erstwhile serfs, under Russian protection, were rapidly laying the foundations of a bourgeois society which eventually would sound the death-knell of the old semi-feudal institutions. The resultant animosities of the two peoples were not lessened by the fact that the Armenians were deliberately employed by the Russians in suppressing unruly Mohammedan tribes. Armenians also served with distinction in the Russian armies that fought the Persians and the Ottoman Turks. The Turks of Azerbaijan have never forgiven this.

The worst, however, was yet to come. If up to the last decade of the nineteenth century they had incurred the hatred of their principal neighbors, the Armenians could at least count on the friendship of the Russian Government. But beginning with the nineties the government itself made a sudden *volte face;* it came to be felt that the Armenians had become too powerful. This change of attitude was partly due to the spread of a number of Armenian revolutionary organizations. Ostensibly the activities of these were confined to the Ottoman Empire; but the government strongly suspected that they also had connections with the Russian revolutionary groups. This was the excuse for launching an open anti-Armenian campaign, which culminated in the decree of 1903 confiscating Armenian church property and charity funds. In all this the government had the further inducement: *divide et impera.* It was in pursuance of this policy that the bloody massacres of February 1905 took place in Baku, during which "the governor of the city was driving about the town openly encouraging the Azerbaijan Turks and slapping them on the back." [2]

In the World War the three peoples of Transcaucasia continued to hate each other. After the Revolution had broken out and the Russian armies had withdrawn, it is true that the Armenian, Georgian and Azerbaijan leaders did finally draw together and in April 1918 formed the provisional government of the Transcaucasian Federation, independent of Petrograd. But the independence

[2] L. Villari: "Fire and Sword in the Caucasus," London, 1906, p. 195.

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thus declared had to be defended by force of arms against the advancing Turkish army. The provisional government had only a small organized force at its disposal, and it was loath to employ this against the Turks. The territory invaded by the Turks was, for the most part, Armenian territory; and the other two peoples felt no urge to defend it. The Georgians were not at all disposed to weaken their position by opposing the Turks at such a critical juncture, while the Azerbaijan Turks were indeed glad to have the Turkish forces advance into Transcaucasia, for only by joining hands with the Ottoman Turks could they hope to realize their Pan-Turanian schemes. Thus, instead of making common cause against the enemy, each people preferred to follow its own national dictates. Under these circumstances the life of the Transcaucasian Federation was short. Towards the end of May, after an existence of about six weeks, it gave way to the separate national independence of each of its parts. And immediately after declaring their independence they began fighting with each other. In this struggle the Armenians were hopelessly outnumbered. They were at the same time involved in a life and death struggle with Turkey. All three states were, of course, courting the enmity of the Bolsheviks. Before they were able to compose their differences and put their own houses in order they were absorbed (1920–21) into the Soviet Union.

It is now some fifteen years since the Transcaucasian peoples were drawn within the Soviet orbit. Yet all three nourish unrealized ideals and dream of unfulfilled missions. The Armenians might be expected to display less resentment than the others towards the Soviet Union, even though they are less satisfied with the existing territorial arrangements, for it was by the diplomatic action of the Bolsheviks in November 1920 that they escaped complete annihilation at the hands of the Turks. Their most pressing problem, however, the settlement of the refugees, still awaits solution. More than 500,000 Armenians are scattered far and wide. This problem has been dragging on for all these years and is likely to defy satisfactory solution as long as the hammer and sickle hold sway over the land.

The Georgians should have no complaint against the Soviet régime, since they have gained greatly through the nationalization of a vast amount of movable and immovable wealth, formerly held by Armenians, and since in general they are given preferential treatment within the Soviet Union. (Incidentally, Stalin is a Georgian by birth.) Yet they seem to cherish the idea of national independence more fervently than either of their neighbors.

The Azerbaijan Turks have real grounds for complaint; they feel that the resources of their country, and especially the oil fields of Baku, are being exploited for the benefit of the Soviet Union as a whole. They also see in the Soviet régime an insurmountable obstacle to the realization of their cherished ideal, the formation of a Pan-Turanian league under the leadership of the Turks.

Taken as a whole, then, the Transcaucasian region may be described as a land of discontented peoples, thwarted national aspirations, and vain hopes; the home both of violent chauvinists and fanatical Marxists; the goal, too, of some 500,000 Armenians now dispersed in Turkey and other parts of the Near East, yet for whom there is no room in the reduced Armenian home-land.

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SOME RECENT BOOKS ON INTERNATIONAL RELATIONS

By William L. Langer

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SURVEY OF INTERNATIONAL AFFAIRS, 1934. By ARNOLD J. TOYNBEE AND V. M. BOULTER. New York: Oxford University Press, 1935, 743 p. $10.00.

The latest volume of this indispensable survey is concerned in large measure with the overturn in Austria and developments in Central and Eastern Europe. Other chapters deal with the middle eastern situation, the Far East and economic problems.

POLITICAL HANDBOOK OF THE WORLD: 1936. By WALTER H. MALLORY. New York: Council on Foreign Relations, 1936, 201 p. $2.50.

The latest issue, revised to January 1, 1936, of the standard guide to the parliaments, parties and press of the various nations of the world. A succinct reference book.

DIPLOMACY AND PEACE. By R. B. MOWAT. New York: McBride, 1936, 295 p. $2.50.

A readable book, in the main a reconsideration of the old diplomacy and a critique of some recent tendencies.

THEORIE ET PRATIQUE DES TRAITÉS INTERNATIONAUX. By A. F. FRANGULIS. Paris: Académie Diplomatique Internationale, 1935, 208, ciii p. Fr. 75.

An authoritative treatment by an experienced diplomat. The author examines the history and technique of treaty-making, the problem of treaty-breaking, sanctions, etc.

THE CATHOLIC TRADITION AND THE LAW OF NATIONS. By JOHN EPPSTEIN. London: Burns, Oates, 1935, 546 p. 15/.

An authoritative statement of the attitude and policy of the Catholic Church with regard to peace and war and other international problems.

DIE NICHTANGRIFFSPAKTE. By GÜNTHER WASMUND. Leipzig: Noske, 1935, 126 p. M. 5.

A study of the idea of aggression, which the author concludes may be legitimate. The book is of course colored by current German policies.

HANDBOOK OF THE LEAGUE OF NATIONS. By DENYS P. MYERS. Boston: World Peace Foundation, 1935, 388 p. $2.50.

A thorough and convenient reference work.

BY PACIFIC MEANS. By MANLEY O. HUDSON. New Haven: Yale University Press, 1935, 206 p. $2.50.

Addresses delivered at the Fletcher School of Law and Diplomacy by a well-known jurist, discussing the various methods of peaceful settlement and the implementation of the Paris Peace Pact. Key documents are reprinted in the appendix.

LE RÔLE DU CONSEIL DE LA S. D. N. By J. S. JEANNERET. Paris: Sirey, 1935, 269 p. Fr. 30.

A technical analysis of Article XI of the Covenant.

LES MANDATS C DANS L'EMPIRE BRITANNIQUE. By E. SANDHAUS. Paris: Chauny et Quinsac, 1935, 334 p. Fr. 50.

British policy in dealing with the most neglected type of mandated territory analyzed in a scholarly manner.

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THE ANTI-DRUG CAMPAIGN. By S. H. Bailey. London: King, 1936, 264 p. 12/.

An excellent monograph on an interesting phase of international action. The author goes over the history of the campaign since 1909, and studies in detail the work of the League. Attention is devoted to the great difficulties inherent in this type of action, and to the technique of coöperation. Many documents are given in the appendix.

WAR AND WAGES. By Robert E. Adams. New York: Primrose Publishing Corporation, 1935, 336 p. $3.00.

A military man's view of the causes of war, together with an exposition of the need for adequate national protection.

WAR: NO GLORY, NO PROFIT, NO NEED. By Norman Thomas. New York: Stokes, 1935, 246 p. $1.50.

The socialist leader sets forth once again the danger of capitalism and nationalism as breeders of war and advocates for the United States "isolation from all that makes for war — coöperation with all that makes for peace."

MARS, HIS IDIOT. By H. M. Tomlinson. New York: Harper, 1935, 230 p. $2.50.

A devastating critique of war by a British novelist.

LA DOCTRINE DE LA GUERRE JUSTE DE SAINT AUGUSTIN À NOS JOURS. By Robert Regout. Paris: Pedone, 1935, 342 p.

A definitive study of the development of Catholic thought on war, with special reference to the problem of the just war.

GEOGRAPHIC DISARMAMENT. By J. H. Marshall-Cornwall. New York: Oxford University Press, 1935, 219 p. $5.00.

This volume, published under the auspices of the Royal Institute of International Affairs, is a pioneer study of the history and practice of demilitarization. The author considers particularly the working of the demilitarization clauses of the peace treaties and the conditions for success in the future application of the system. He rates it highly as a method of preventing conflict.

NEUTRALITY: ITS HISTORY, ECONOMICS AND LAW. By Philip C. Jessup and Francis Deák. New York: Columbia University Press, 1935, 308 p. $3.75.

The first volume of what aims to be a standard treatment. The authors here cover the origins of the concept and the development of the law of the subject.

LE GOUVERNEMENT DES DÉMOCRATIES MODERNES. By Bernard Lavergne. Paris: Alcan, 1935, 2 v., Fr. 50.

A theoretical study. The author starts with a defense of democracy but turns to a critique of the basic problem of suffrage. He would retain the present system, but in order to establish democracy upon a sounder basis would superimpose a further "social suffrage" in which the interests of men as producers would be represented. This suffrage would be unequal, but would secure greater consideration by the government of the general interest.

DICTATORSHIPS. By Hermann Kantorowicz. Cambridge: Heffer, 1935, 39 p. 2/.

A sociological essay, in pamphlet form, by a former German professor. A valuable feature is the excellent bibliography on dictatorships.

PROPAGANDA AND THE NEWS. By Will Irwin. New York: Whittlesey House, 1936, 332 p. $2.75.

An interesting book reviewing the development of the press and the technique of modern propaganda by the chief of American publicity in France during the War.

PROPAGANDA: ITS PSYCHOLOGY AND TECHNIQUE. By W. Leonard Doob. New York: Holt, 1935, 434 p. $2.40.

One of the best books on the subject, being a dispassionate analytical study of propaganda as a social-psychological phenomenon which people must learn to understand if they are to avoid its dangers.

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General: Economic

WIRTSCHAFTSBEOBACHTUNG UND WIRTSCHAFTSORDNUNG. By Anton Reithinger. Leipzig: Meiner, 1935, 183 p. M. 6.50.

A valuable book by the economist of a great German dye industry. The author shows how scientific study of the economic, social and political situation can be profitably employed in the interest of sound business.

MODERN PRODUCTION AMONG BACKWARD PEOPLES. By I. C. Greaves. London: Allen and Unwin, 1935, 229 p. 10/6.

An excellent study of agricultural production in tropical regions.

EASTERN INDUSTRIALIZATION AND ITS EFFECT ON THE WEST. By G. E. Hubbard and D. Baring. New York: Oxford University Press, 1935, 417 p. $7.00.

This scholarly study bears chiefly on the competition of Japanese with British industry. As such it offers a unique account of the development of industry in Japan, China and India.

LABOUR IN AGRICULTURE: AN INTERNATIONAL SURVEY. By Louise E. Howard. New York: Oxford University Press, 1935, 353 p. $7.50.

A fundamental comparative study of conditions in temperate countries, by the former chief of the agricultural service of the International Labor Office.

CARTEL PROBLEMS. By Karl Pribram. Washington: Brookings Institution, 1935, 287 p. $2.50.

The author was formerly chief of the statistical section of the International Labor Office. His book is an excellent synthetic treatment of the nature and types of cartels and of their relation to economic development. Government policy and the bearing of cartels on American problems are considered.

MONEY. By Edwin W. Kemmerer. New York: Macmillan, 1935, 406 p. $3.50.

A general treatment by an American authority. The book discusses the nature of money, the various standards and the principles of foreign exchange, after which it reviews some outstanding monetary episodes, from the time of the French assignats to the greenbacks and the German inflation.

GOVERNMENTS AND MONEY. By Edward Jerome. Boston: Little, Brown, 1935, 372 p. $2.50.

A discussion of certain basic principles, with an analysis of American legislation.

LA CRISE ET LE PROBLÈME MONÉTAIRE. By Robert Lascaux. Paris: Montaigne, 1935, 324 p. Fr. 15.

The author assigns the monetary crisis to social maladjustment and holds that devaluation is less detrimental than deflation.

LA DÉVALUATION DU FRANC BELGE. By Fernand Baudhuin. Brussels: Édition Universelle, 1935.

The financial adviser of the Belgian government gives an account of the handling of the crisis and shows how devaluation has created a new prosperity.

EUROPEAN CONDITIONS IN THEIR RELATIONSHIP TO INTERNATIONAL TRADE AND EXPORT CREDITS. By Charles E. Stuart. New York: National Foreign Trade Council, 1935, 134 p. $1.75.

The report of a survey made in 1935 on conditions in England, Germany, France, Turkey, Russia and Italy, and of the whole system of governmental export credit aids.

AMERICAN TRADE PROSPECTS IN THE ORIENT. New York: National Foreign Trade Council, 1935, 69, lxvi p. $1.75.

The report of the American Economic Mission to Japan, China and the Philippines.

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COMMODITY CONTROL IN THE PACIFIC AREA. Edited by W. L. Holland. Stanford: Stanford University Press, 1935, 452 p. $5.00.

Papers by more than a dozen economists, giving detailed information on a series of experiments in economic control.

IMPERIAL PREFERENCE VIS-À-VIS WORLD-ECONOMY. By Benoy K. Sarkar. Calcutta: Ray Choudhury, 1934, 164 p. Rps. 5.

This book deals chiefly with the Ottawa agreement of 1932, with special reference to the position of India in the imperial economy.

UNEMPLOYMENT, AN INTERNATIONAL PROBLEM. New York: Oxford University Press, 1935, 496 p. $10.00.

The detailed report of a study group of the Royal Institute of International Affairs.

NEW TRENDS IN SOCIALISM. Edited by G. E. G. Catlin. Toronto: Macmillan, 1935, 307 p. $1.75.

A symposium by representatives of the younger generation. The tone is distinctly moderate. Several chapters deal with foreign affairs.

THE WAY TO WEALTH. By Hartley Withers. Toronto: Nelson, 1935, 288 p. $1.00.

A well-informed and well-written defense of the liberal economy, the author holding an insane war and bad peace responsible for most of our woes.

International Relations of the United States

AMERICAN NEUTRALITY. By Charles Seymour. New Haven: Yale University Press, 1935, 194 p. $2.00.

A collection of essays, the principal one of which appeared originally in Foreign Affairs. Professor Seymour, editor of the House papers, expounds the theory that in the last count it was Germany's unrestricted submarine campaign that drove the United States into the war. The book is of prime importance for all interested in the discussion of the neutrality problem.

CAN WE BE NEUTRAL? By Allen W. Dulles and Hamilton Fish Armstrong. Published for the Council on Foreign Relations. New York: Harper, 1936, 191 p. $1.50.

The best general guide for those who want to understand what is at stake in the debate regarding American neutrality policies. This debate now promises to continue for some time, as the newly adopted legislation is only temporary, and the whole matter must again come up for review after the elections. An authoritative review is here provided of the country's past experience in the face of general European wars. The many proposals now advanced for safeguarding American neutrality are then examined one by one in the light of that experience and in the light of the national interest. Common sense and practicality pervade the whole discussion. The key documents are provided in the appendix.

CAN WE STAY OUT OF WAR? By Phillips Bradley. New York: Norton, 1936, 288 p. $2.75.

American neutrality discussed in the light of Charles Beard's idea of national interest and with a wealth of factual material.

THE HOOVER ADMINISTRATION. By William S. Myers and Walter H. Newton. New York: Scribner, 1936, 553 p. $3.50.

This is a history and apology. The larger part of the book deals with the depression and the methods adopted for alleviating it.

AMERICA MUST ACT. By Francis B. Sayre. Boston: World Peace Foundation, 1936, 80 p. 75 cents.

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A telling popular survey of our economic position, by an Assistant Secretary of State. Special attention is paid to self-sufficiency and trade treaties.

INTERPRETATIONS, 1933–1935. Edited by Allan Nevins. New York: Macmillan, 1936, 398 p. $2.50.

This convenient collection of Walter Lippmann's principal newspaper articles in the past three years covers chiefly our domestic economic problems, but some touch on foreign affairs directly and many more indirectly.

OUR TIMES: THE UNITED STATES, 1900–1925. Vol. VI. THE TWENTIES. By Mark Sullivan. New York: Scribner, 1935, 694 p. $3.75.

The concluding volume of a well-known political and social review.

POWERFUL AMERICA. By Eugene J. Young. New York: Stokes, 1936, 386 p. $3.00.

A capable if somewhat astounding restatement of the ideas of the old imperialism. The author holds that the United States has not made, but should make, full use of the tremendous power at its disposal.

THE COMING AMERICAN FASCISM. By Lawrence Dennis. New York: Harper, 1936, 333 p. $2.50.

The author of "Is Capitalism Doomed?" repeats his conviction that Fascism is coming and that it will do good.

INSURGENT AMERICA. By Alfred M. Bingham. New York: Harper, 1935, 260 p. $2.50.

The author holds by the non-propertied white-collar middle class, which he expects to introduce a society for use and not profit without actually destroying capitalism.

THE CRISIS OF THE MIDDLE CLASS. By Lewis Corey. New York: Covici-Friede, 1935, 379 p. $2.50.

The same lower middle class is here dealt with, but with the expectation that ultimately it will turn to the proletarians and join a common front against fascism.

MARITIME TRADE OF WESTERN UNITED STATES. By Eliot G. Mears. Stanford University: Stanford University Press, 1935, 538 p. $4.00.

An economic geographer's analysis of the ocean-borne commerce of the Rocky Mountain and Pacific States and of Hawaii.

POLITICS, PRESSURES AND THE TARIFF. By E. E. Schattschneider. New York: Prentice-Hall, 1935, 312 p. $2.50.

The author holds, quite rightly, that the tariff is a political as well as an economic problem. By studying the tariff revision of 1929–1930 he shows how the tariff is actually made, especially how interested groups carry through their political action. The work is well-documented and constitutes a real contribution to political science.

The World War

DOCUMENTS DIPLOMATIQUES FRANÇAIS. Series III, Volume VIII. Paris: Costes, 1935, 912 p. Fr. 100.

The latest volume of the great French Series, covering the period from August 1913 to December 31, 1913.

DIE INTERNATIONALEN BEZIEHUNGEN IM ZEITALTER DES IMPERIALISMUS. Edited by M. N. Pokrowsky and Otto Hoetzsch. Volume VII (i). Berlin: Hobbing, 1935, 427 p.

This volume of the Russian documents extends from January 14 to March 23, 1915.

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ELECTRONIC REPRODUCTION PROHIBITED

LA PRÉPARATION DE LA GUERRE. LA LOI DE TROIS ANS. By Georges Michon. Paris: Rivière, 1935, 231 p. Fr. 18.

A much-needed study of the French law of 1913 in its political setting, domestic and international.

VATICAN DIPLOMACY IN THE WORLD WAR. By Humphrey Johnson. Oxford: Blackwell, 1935, 46 p. 1/6.

An analytic study, primarily of the efforts of the Pope to bring about peace in 1917.

THE NAVAL MEMOIRS OF ADMIRAL SIR ROGER KEYES. Volume II. New York: Dutton, 1935, 416 p. $5.00.

This second volume of Keyes's recollections is important especially for his account of operations on the Belgian coast and the campaign against submarines.

TRUTZIG UND TREU. By Admiral Hermann Jacobsen. Berlin: Behr, 1935, 187 p. M. 7.

A useful supplement to Admiral Keyes's memoirs, since the author deals very largely with naval operations on the Belgian coast.

PLUMER OF MESSINES. By General Sir Charles Harington. Toronto: Musson, 1935, 369 p. $4.00.

A character study by one of the Field Marshal's closest collaborators.

STRUGGLE, 1914–1920. By Sir John Evelyn Wrench. London: Nicholson, 1935, 516 p. 15/.

The autobiography of a newspaper man, with much that is interesting on France early in the war, on Ireland in 1917, on the Air Ministry, etc.

IN LONDON DURING THE GREAT WAR. By Michael MacDonagh. Toronto: Musson, 1935, 352 p. $4.00.

Day-by-day notes of a London *Times* reporter, of considerable value.

LUDENDORFF. By Theobald von Schäfer. Berlin: Siegismund, 1935, 85 p. M. 2.85.

An excellent brief biography of Ludendorff, by a German military historian.

STEADY DRUMMER. By Stanley Casson. London: Bell, 1935, 281 p. 12/6.

An intelligence officer's experiences on the Macedonian front and after the war in Constantinople and Transcaucasia.

THE SILENT DIVISION. By O. E. Burton. Sydney: Angus and Robertson, 1935, 326 p. 6/.

Life with the New Zealand division at Gallipoli, the Somme and Passchendaele.

WELTKRIEG UND PROPAGANDA. By Hermann Wanderscheck. Berlin: Mittler, 1936, 260 p.

A documented study of British propaganda during the war, with special reference to the campaign against Germany.

THE WAR IN THE AIR. Volume V. By H. A. Jones. New York: Oxford University Press, 1935, 537 p. $7.00; with case of maps, $12.00.

The latest volume of the British official history. The period covered is 1917–1918 and the book has much information on the great air raids on London.

DIE GROSSE SCHLACHT IN FRANKREICH IM LENZ, 1918. By General Ernst Kabisch. Berlin: Vorhut, 1935, 186 p. M. 3.60.

An authoritative technical study of the last great German offensive in the West.

LA GUERRA COME E DOVE L'HO VISTA E COMBATTUTA. By E. De Bono. Milan: Mondadori, 1935, 320 p. L. 12.50.

War memoirs of the Italian general and colonialist.

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ELECTRONIC REPRODUCTION PROHIBITED

DIE FLUCHT, AUS EINEM SERBISCHEN TAGEBUCH. By Gerhard Gesemann. Munich: Langen, 1935, 224 p. M. 4.80.

A vivid picture of the great retreat from Serbia.

SOUVENIRS DE LA CAMPAGNE DES DARDANELLES. By Admiral P. E. Guépratte. Paris: Payot, 1935, 272 p. Fr. 18.

A contribution to the history of Franco-British naval coöperation.

HEIMKEHR. By A. Winnig. Hamburg: Hanseatische Verlagsanstalt, 1935, 409 p. M. 5.80.

The recollections of a German officer who in 1918 organized the Baltic free-corps and fought the Bolshevik advance.

KRIEG OHNE HEER. By Eduard Fischer. Vienna: Militärwissenschaftlicher Verlag, 1935, 214 p. Sch. 3.50.

The story of the author's defense of the Bukovina against the Russians.

Western Europe

HISTORY OF EUROPE. Volume III. By H. A. L. Fisher. London: Eyre and Spottiswoode, 1935, 18/.

This concluding volume of a great history of Europe covers the French Revolution and the nineteenth and twentieth centuries. It is written throughout in the English liberal tradition and contains an interesting concluding chapter on the status of liberalism in the world today.

VERS UNE ORGANISATION POLITIQUE ET JURIDIQUE DE L'EUROPE. By Raymond Léonard. Paris: Rousseau, 1935, 312 p. Fr. 32.

A critical review of the evolution of the idea of a European federation since about 1930.

WE EUROPEANS. By Julian S. Huxley and A. C. Haddon. Toronto: Nelson, 1935, 299 p. $1.50.

The authors demolish once more the idea of racialism as a scientific thing.

DIE GLEICHWERTIGKEIT DER EUROPÄISCHEN RASSEN. Prague: Orbis, 1935, 163 p.

A work by six professors, likewise proving racial theories to be unscientific.

INSIDE EUROPE. By John Gunther. New York: Harper, 1936, 480 p. $3.50.

The correspondent of the *Chicago Daily News*, for some years in Vienna, now stationed in London, tries to diagnose Europe's malady by taking the pulse of its leading personalities. He finds the pulse high, the respiration quick and the tongue coated. An array of anecdotes and much informal but revealing data makes this one of the most readable of recent peripatetic accounts.

WHAT NEXT IN EUROPE? By Sir Arthur Willert. New York: Putnam, 1936, 304 p. $3.00.

A general survey of conditions and tendencies in Germany, Austria and Italy, based on personal observation in the summer of 1935.

LIBERTY AND TYRANNY. By Francis W. Hirst. London: Duckworth, 1935, 300 p. 8/6.

Primarily a review of England's liberal achievement since the days of Magna Carta, followed with a critique of tyrannies, ancient and modern, by a well-known English economist.

REVOLUTION, WHITHER BOUND? By Hugo F. Simon. New York: Farrar and Rinehart, 1935, 392 p. $2.50.

A reconsideration of the revolutionary movements in various European states.

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ELECTRONIC REPRODUCTION PROHIBITED

FASCISM AND NATIONAL SOCIALISM. By Michael T. Florinsky. New York: Macmillan, 1936, 292 p. $2.50.

A comparative study of the underlying ideas, aims and policies of the two movements, much of it based on personal investigation in Italy and Germany.

THE WORKING CLASS AGAINST FASCISM. By G. Dimitrov. London: Lawrence, 1935, 127 p. 1/.

The hero of the Reichstag fire trial discusses the French and general European situation in terms of the class struggle.

LA TROISIÈME RÉPUBLIQUE. By Jacques Bainville. Paris: Fayard, 1935, 317 p. Fr. 15.

The late French Royalist historian's political chronicle of the Republic since 1870.

DICTATURE DE LA LIBERTÉ. By Robert Aron. Paris: Grasset, 1935, Fr. 15.

Expounds the ideas of the *Ordre Nouveau* movement, which envisages a dictatorship of liberty in the interest of the rank and file.

FAUT-IL CHANGER LE RÉGIME? By General Mordacq. Paris: Michel, 1935, Fr. 15.

A diatribe against the enemies of the Republic, both Right and Left.

LA SOLIDARITÉ FRANÇAISE ATTAQUE. By Jean Renaud. Paris: Les Oeuvres Françaises, 1935, Fr. 10.

The president of the *Solidarité* movement sets forth the program and aspirations for a National Revolution.

DOSSIER D'HISTOIRE. L'AFFAIRE STAVISKY. By Alfred Detrez. Paris: Paillard, 1935, 360 p. Fr. 12.

Those who have tried to follow the scandal will welcome this detailed narrative.

ALBERT OF BELGIUM. By Emile Cammaerts. New York: Macmillan, 1935, 475 p. $5.00.

There have been many biographies of the King. This stands far above the average. It really is a history of Belgium's international position and of her part in the great war, with the King appearing as the champion of all that is fine and honorable. M. Cammaerts is not blind to the King's shortcomings, but nevertheless pictures him as a great historical figure.

SWEDEN, THE MIDDLE WAY. By Marquis W. Childs. New Haven: Yale University Press, 1936, 171 p. $2.50.

This is a book that deserves reading. In the midst of the discussion of Fascism and Communism it sets forth in some detail the compromise system of Sweden, where the evils of the capitalist system have been largely eliminated without serious loss of personal liberty or initiative.

LA CONSTITUTION SOCIALE ET POLITIQUE PORTUGAISE. By F. I. Pereira Dos Santos. Paris: Sirey, 1935, 251 p. Fr. 25.

A systematic conventional analysis of the Portuguese system.

HISTORY OF THE FASCIST MOVEMENT. By Gioacchino Volpe. Rome: Poliografica Italiana, 1935, 166 p.

A wholly uncritical survey of the movement and its accomplishment by the Secretary of the Italian Academy. The author states in the preface that "rarely has the word *peace* been pronounced and peace proposals been made with more sincerity and conviction than by Mussolini during the last years."

SAWDUST CAESAR. By George Seldes. New York: Harper, 1935, 459 p. $3.00.

An utterly damning account of Mussolini's career.

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ELECTRONIC REPRODUCTION PROHIBITED

ITALIA E FRANCIA. By Mario Bersellini. Milan: Stampa Commerciale, 1935, 152 p. L. 7.50.

A somewhat extravagant program for a Latin bloc to dominate the Mediterranean and present a strong bulwark to Germanism.

L'ORDINE ECONOMICO NAZIONALE. By Alberto de Stefani. Bologna: Zanichelli, 1935, 317 p. L. 15.

Articles by the former minister of finance, advocating among other things a determined move for greater self-sufficiency.

DIE STAATSWIRTSCHAFT DES FASCHISMUS. By Waldemar Koch. Jena: Fischer, 1935, 215 p. M. 11.

A scholarly treatment covering the years 1922 to 1934 and underlining the connection between politics and economics under the Fascist system.

DER IRREDENTISMUS IN DER SCHWEIZ. By Isidor Brosi. Basel: Frehner, 1935, 213 p. Fr. 6.

An historical account of Italian agitation in the Italian cantons of Switzerland.

GUSTAV STRESEMANN: HIS DIARIES, LETTERS AND PAPERS. Translated, edited and adapted by Eric Sutton. New York: Macmillan, 1935, 506 p. $5.00.

The first volume of the English translation of a valuable collection of materials. The present volume goes to 1924.

NATION UND GESCHICHTE. By Hermann Oncken. Berlin: Grote, 1935, 517 p. M. 8.

Historical and political essays and addresses by a former professor at Berlin.

DIE NATIONAL-SOZIALISTISCHE REVOLUTION, 1933. By Axel Friedrichs. Berlin: Junker und Dünnhaupt, 1935, 355 p. M. 12.

Primarily a collection of documentary material on the revolution of 1933.

SOZIALISMUS, WIE IHN DER FÜHRER SIEHT. By F. Meystre. Munich: Heerschild, 1935, 128 p. M. 3.80.

Hitler's writings and speeches on social problems.

DER WEG DES DRITTEN REICHES. By W. Bade. Lübeck: Coleman, 1935, 165 p. M. 3.

The third volume of a valuable chronicle. The period here covered runs from September 1934 to September 1935.

DER RAUM ALS WAFFE. By Rupert Schumacher. Berlin: Ringe, 1935, 112 p. M. 2.50.

A review of the German defense problem in its geographic and economic aspects.

DIE JUDEN IN DEUTSCHLAND. Munich: Eher, 1935, 416 p. M. 5.

Produced by the German Institute for the Study of the Jewish Question.

THE ROAD TO PLANNED ECONOMY. By Werner F. Bruck. New York: Oxford University Press, 1934, 148 p. $1.25.

A German economist reviews the progress of planned economy in Germany before 1933 and discusses the problem of self-sufficiency.

AUFBAU UND BEWEGUNG DER BEVÖLKERUNG. By Friedrich Burgdörfer. Leipzig: Barth, 1935, 216 p. M. 8.40.

A study of population tendencies and policies, by the leading Nazi expert.

Eastern Europe

ERINNERUNGEN UND DOKUMENTE. By Josef Pilsudski. Arranged by Waclaw Lipinski and J. P. Kaczkowski. Essen: Essener Verlagsanstalt, 1935, 2 v. M. 14.40.

The German translation of the authorized edition of Pilsudski's works.

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DIE HANDELSPOLITIK POLENS. By Peter H. Seraphim. Berlin: Volk und Reich, 1935, 104 p.

An historical and analytical survey of Polish trade and trade policy.

THE TESTIMONY OF KOLCHAK AND OTHER SIBERIAN MATERIALS. Edited by Elena Varneck and Harold H. Fisher. Stanford: Stanford University Press, 1935, 477 p. $5.00.

This is one of the excellent publications of the Hoover War Library making available to the English-speaking world some of the vital Russian material.

L'UKRAINE CONTRE MOSCOU. By Alexandre Choulgine. Paris: Alcan, 1935, 222 p. Fr. 15.

A lively account of the struggle of 1917 against the growing power of the Reds.

LA BIANCA RUSSIA. By R. Lange. Florence: Bemporad, 1935, 168 p. L. 8.

A political and military study of the anti-Bolshevik movement since 1917.

SOVIET COMMUNISM. By Sidney and Beatrice Webb. London: Longmans, 1935, 2 v. 35/.

One of the most important books on Soviet Russia in any language. The authors, whose writings on the British labor movement are well known, analyze in detail both the structure and the working of the Bolshevik political and social system. While written in a very sympathetic strain, the book is based on a wealth of factual material. Diagrams and charts help to make the structure of the system more understandable.

ROTE ARMEE, ROTE WELTREVOLUTION, ROTER IMPERIALISMUS. By Theodor Adamheit. Berlin: Niebelungen, 1935, 232 p. M. 5.50.

A hostile account of Russian policy and aspirations, written with the purpose of underlining the danger to Germany and to the world.

I WRITE AS I PLEASE. By Walter Duranty. New York: Simon and Schuster, 1935, 357 p. $3.00.

The personal record of the year spent in Russia by one of the best-known foreign correspondents. A thoroughly interesting view of personalities and policies.

CHEERFUL GIVER: THE LIFE OF HAROLD WILLIAMS. By Ariadna Tyrkóva-Williams. London: Davies, 1935, 349 p. 10/6.

A valuable biography of an outstanding British journalist who was long connected with Russian liberal circles and who witnessed the Revolution.

THE GREAT EXPERIMENT. By Marcus Samuel and L. Caplan. London: Murray, 1935, 133 p. 3/6.

An analysis of utterances by outstanding Soviet leaders, with the aim of setting forth the Russian system of planning.

MUSS RUSSLAND HUNGERN? By Ewald Ammende. Vienna: Braumüller, 1935, 356 p. M. 6.

An extraordinary account of Russian conditions. The author, for many years a relief worker, dilates on the prevalence of starvation in Russia and bitterly criticizes the policy of the government. At the same time he shows the harsh policy pursued toward minorities and incidentally discusses the whole set-up of the Soviet system.

U.R.S.S. L'IMPERO DEL LAVORO FORZATO. By L. Barzini. Milan: Hoepli, 1935, 311 p. L. 10.

An indictment of the policy of forced labor in Russia.

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BELOMOR. THE BUILDING OF THE WHITE SEA CANAL. Edited by Maxim Gorky. New York: Smith and Haas, 1935, $3.00.

Many Soviet writers describe the construction in two years of the 240-mile canal from the White Sea to the Baltic. The book aims to show how some twenty thousand prisoners and malcontents were redeemed for the Bolshevik system.

SOVIET ECONOMIC GEOGRAPHY. By N. Mikhaylov. London: Methuen, 1935, 250 p. 10/6.

A study of the distribution of industry and population as a result of recent Russian planning.

HANDBOOK OF THE SOVIET UNION. Compiled by American-Russian Chamber of Commerce. New York: Day, 1935, 562 p. $3.00.

Facts and figures on all phases of Russian economic life.

DIE LAGE DER JUDEN IN RUSSLAND. By Abraham Heller. Breslau: Marcus, 1935, 128 p. M. 5.

A dissertation demonstrating that, excepting for relatively few higher-ups, the lot of the Jews under the Bolsheviks has been anything but an enviable one.

SIBIRIEN ALS ZUKUNFTLAND DER INDUSTRIE. By Paul Berkenkoff. Stuttgart: Enke, 1935, 107 p. M. 4.20.

A competent essay emphasizing the tremendous difficulties in bringing raw materials to the proper centers.

DANUBE ET ADRIATIQUE. By Gustave Demorgny. Paris: Quereuil, 1935, 268 p. Fr. 25.

Largely a treatment of the Austrian situation and of a Danubian pact.

PEACE IN THE BALKANS. By Norman J. Padelford. New York: Oxford University Press, 1935, 218 p. $2.00.

Useful material on the Balkan Conferences and the evolution of the Balkan Pact. Relevant documents are given in the appendix.

EXPRESS TO THE EAST. By A. Den Doolard. New York: Smith and Haas, 1935, 400 p. $2.50.

An unusually well-written account of war and revolution in the Balkans during the past twenty-five years, by a Dutch writer.

BALKAN HOLIDAY. By David Footman. London: Heinemann, 1935, 289 p. 10/6.

An interesting picture of life in Jugoslavia, by a former English vice-consul at Skoplje.

ÖKONOMISCHE GRUNDLAGEN EINER BALKANFÖDERATION. By S. Spassitschew. Sofia: Staikow, 1934, 125 p.

A dissertation which examines the economic structure and policy of the Balkan states with reference to their relationship to each other and their place in the world economy.

LA POLITIQUE EXTÉRIEURE DE LA YOUGOSLAVIE. By Lazare Marcovitch. Paris: Société Générale d'Imprimerie, 1935, 344 p.

A general study of Jugoslavia's international position and of its policies with regard to specific countries.

DIE JUGOSLAWEN EINST UND JETZT. By Gilbert in der Maur. Vienna: Gunther, 1935, 286 p.

The first volume of a good historical and descriptive work.

LA YOUGOSLAVIE DANS LES BALKANS. By M. Yanochevitch. Paris: Éditions Internationales, 1935, 300 p. Fr. 30.

Another systematic study of Yugoslav foreign policy, with special reference to the Little and Balkan Ententes.

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LA YOUGOSLAVIE D'AUJOURD'HUI. Belgrade: Ministry of Foreign Affairs, 1935, 439 p.

An official descriptive survey, containing a chapter on foreign policy.

THE UNCONQUERED ALBANIA. By Marcellus von Redlich. Cincinnati: International Courier, 1935, 71 p. $1.00.

An illustrated survey with some useful information.

The British Commonwealth of Nations

THE HARVEST OF VICTORY. By Esmé Wingfield-Stratford. London: Routledge, 1935, 484 p. 12/6.

A stimulating picture of English development from 1918 to 1926.

THIS TORCH OF FREEDOM. By Stanley Baldwin. London: Hodder, 1935, 348 p. 12/6.

A selection of the Prime Minister's recent addresses.

ENGLAND SPEAKS. By Sir Philip Gibbs. New York: Doubleday, 1935, 341 p. $3.00.

The views of Englishmen, high and low, on a variety of subjects.

INQUEST ON PEACE. By Vigilantes. London: Gollancz, 1935, 367 p. 3/6.

A telling critique of the foreign policy of the national government, by Labor writers.

THIS, OUR ARMY. By J. R. Kennedy. London: Hutchinson, 1935, 286 p. 9/6.

Facts and figures to show the neglect of the British forces.

BRITAIN IN DEPRESSION. New York: Pitman, 1935, 473 p. $3.00.

An authoritative study of the record of British industries, being the report of a committee of the British Association for the Advancement of Science.

MAGNA BRITANNIA. By J. Coatman. London: Cape, 1935, 288 p. 10/6.

A perhaps over-enthusiastic account of the British Commonwealth, which the writer interprets as the prototype of a coming world union.

DIE WIRTSCHAFTSVERFLECHTUNG DES BRITISCHEN WELTREICHES. By Gerhard Mackenroth. Berlin: Junker und Dünnhaupt, 1935, 229 p. M. 11.

A scholarly analysis of the economic relations of the members of the Commonwealth, with reference to the results of the Ottawa Conference.

CONFLICTING TENDENCIES IN INDIAN ECONOMIC THOUGHT. By Shib Chandra Dutt. Calcutta: Ray Choudhury, 1934, 225 p. Rps. 5.

The economic theories of Gandhi and Sarkar described and compared.

AUSTRALIA AND WAR TODAY. By W. M. Hughes. London: Australian Book Company, 1935, 168 p. 6/.

The Australian statesman has no confidence in the League and holds that Australia must provide for itself. He suggests building a great air fleet.

THE DEVELOPMENT OF AUSTRALIAN TRADE AND DIPLOMATIC RELATIONS IN THE FAR EAST. Edited by I. C. Ross. London: Australian Book Company, 1935, 7/6.

A collection of material valuable for those interested in Pacific affairs.

The Near East

KAMAL ATATÜRK. By H. Froembgen. Stuttgart: Franckh, 1935, 222 p. M. 5.20.

A lively general biography.

DAS LAND KAMAL ATATÜRKS. By August Ritter von Kral. Vienna: Braumüller, 1935, 181 p. M. 4.50.

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Though brief, this is one of the best books on post-war Turkey. The author, for many years Austrian Minister at Ankara, reviews the war of independence and surveys systematically the great reforms of Kamal.

ANKARA. By Norbert von Bischoff. Vienna: Holzhausen, 1935, 226 p.
Another good book on modern Turkey, being an historical and descriptive survey based on personal acquaintance with the country and its problems.

PALESTINE OF THE ARABS. By Mrs. Steuart Erskine. London: Harrap, 1935, 256 p. 10/6.
An ardent presentation of the Arab case, useful though not always accurate.

THE FISCAL SYSTEM OF PALESTINE. By A. Granovski. Jerusalem: Mishar ve Taasiah, 1935, 347 p.
A critical account of public finance and recent economic development.

DIE SIONISTISCHE BEWEGUNG. By Adolph Böhm. Tel-Aviv: Hozaa Ivrith, 1935, 731 p.
Volume I of a comprehensive history of the movement. This covers the pre-war period.

GESCHICHTE DES ZIONISMUS. By Joseph Heller. Berlin: Gescher, 1935, 194 p.
An up-to-date history of Zionism and the experiment in Palestine.

DIE AUFERSTEHUNG ARABIENS. By R. Donkan. Vienna: Goldmann, 1935, 260 p. M. 4.50.
This valuable work, based on Arabian sources and extended personal experience, is essentially a biography of Ibn Sa'ud in the larger Arabian setting.

Africa

HOW BRITAIN RULES AFRICA. By George Padmore. London: Wishart, 1935, 12/6.
An historical survey of British policy and administration.

LA MER ROUGE, L'ABYSSINIE ET L'ARABIE DEPUIS L'ANTIQUITÉ. By A. Kammerer. London: Quaritch, 1935, 571 p. 84/.
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HISTORY OF ABYSSINIA. By A. H. M. Jones and Elizabeth Monroe. New York: Oxford University Press, 1935, 196 p. $2.25.
A compact popular survey, giving the bare essentials.

RIVALRIES IN ETHIOPIA. By Elizabeth P. MacCallum. Boston: World Peace Foundation, 1935, 64 p. 50 cents.
A convenient summary for use in the present crisis.

ETHIOPIA AND ITALY. By Emile Burns. New York: International Publishers, 1935, 223 p. $1.25.
A general attack upon capitalist imperialism, British and French as well as Italian.

THE ABYSSINIAN STORM. By Sir T. Comyn-Platt. London: Jarrolds, 1935, 283 p. 12/6.
A former diplomat supplies some useful information, especially on trade.

SLAVES AND IVORY IN ABYSSINIA. By Major Henry Darley. New York: McBride, 1935, 219 p. $2.00.
An account of exploration among the slave traders of southern Ethiopia.

EIGHT YEARS IN ABYSSINIA. By Fan C. Dunckley. London: Hutchinson, 1935, 224 p. 8/6.
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ABYSSINIAN ADVENTURE. By Geoffrey Harmsworth. London: Hutchinson, 1935, 323 p. 12/6.
A lively account by the correspondent of the *Daily Mail*, containing some good impressions of the Emperor, of Graziani, etc.

WAR OVER ETHIOPIA. By William J. Makin. London: Jarrolds, 1935, 287 p. 18/.
One of the best recent reviews of the history of modern Ethiopia, of the rise of Haile Selassie and of the conflicts of the powers.

ABESSINIEN, AFRIKAS UNRUHEHERD. By L. Huyn and K. Kalmer. Berlin: Bergland, 1935, 347 p. M. 5.
Essentially a travel book, though containing some good historical material. Beautifully illustrated.

LE CONFLIT ITALO-ÉTHIOPIEN. By A. de Lapradelle. Paris: Éditions Internationales, 1935, 672 p. Fr. 150.
A long technical study of the Ual-Ual arbitration.

CHEZ LE ROI DES ROIS D'ÉTHIOPIE. By Henri Rébeaud. Paris: Attinger, 1935, Fr. 15.
Experiences and observations during three years in the Emperor's service.

L'EQUIVOCO ABISSINO. By A. Frangipani. Milan: Hoepli, 1935, 265 p. L. 12.50.
A formulation of the Italian case.

PANORAMA ETIOPICO. By Luigi Manzini. Milan: Stampa Commerciale, 1935, 188 p. L. 3.
A dispassionate review of the Ethiopian situation and of Italian interests and policies.

ABISSINIA, PERICOLO NERO. By R. V. Prochazka. Milan: Bompiani, 1935, L. 9.
The author elaborates upon the Black danger.

SOMALIA. By B. V. Vecchi. Milan: Marcagoni, 1935, 228 p. L. 5.
After comparing British and Italian colonial methods in Somaliland, the author concludes that the British system is too inflexible and that the Italian is preferable.

TANGANYIKA TERRITORIUM UND ENGLISCHE PRESSE. By Kurt Blöhm. Berlin: Junker und Dünnhaupt, 1935, 158 p. M. 6.50.
A study of English press opinion between 1930 and 1933 with regard to German colonial aspirations.

DEUTSCH-AFRIKA — ENDE ODER ANFANG? By Paul Rohrbach. Potsdam: Volk und Heimat, 1935, 159 p. M. 2.80.
Letters of a well-known expansionist, during a tour in 1933–34.

The Far East

A HISTORY OF THE FAR EAST. By G. N. Steiger. Boston: Ginn, 1936, 928 p. $4.75.
A well-balanced general text that takes the Far East in the widest sense and pays due consideration to non-political developments.

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A survey containing contributions on American and Canadian wheat control; Japanese silk and rice control; international tin, rubber and fisheries control, etc.

LA CHINE D'AUJOURD'HUI. By C. Kuangson Young. Paris: Maisonneuve, 1935, 2 v. Fr. 32.
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An extensive, illustrated record of progress in the economic and cultural fields under the national government.

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A clever impressionistic sketch, being at bottom an attack on European and especially British imperialism in China.

CHINA CHANGES. By G. J. Yorke. London: Cape, 1935, 334 p. 10/6.

Keen observations made during two years in China, with special reference to the anti-communist crusade, the Jehol affair and the rumblings in Fukhien.

WAR AND DIPLOMACY IN THE JAPANESE EMPIRE. By Tatsuji Takeuchi. New York: Doubleday, 1935, 524 p. $4.50.

One of the most important books of the quarter. This volume is part of a general series of studies now being conducted at the University of Chicago on the conduct of foreign relations with reference to the problem of war. It is a scholarly and thoroughly documented analysis of the Japanese constitutional system and of the technique of Japanese diplomacy. The working of the system is demonstrated by the monographic study of a considerable number of outstanding episodes in the diplomatic history of Japan since 1890. The wide use of Japanese materials not ordinarily available to western scholars makes the work indispensable for all students of Far Eastern affairs.

THE PROBLEM OF JAPAN. By Malcolm D. Kennedy. London: Nisbet, 1935, 303 p. 15/.

A skillful analysis of and apology for Japan's recent foreign policy.

SIAM, DAS LAND DER TAI. By W. Credner. Stuttgart: Engelhorn, 1935, 422 p. M. 30.

The first exhaustive geographic and demographic treatment of Siam, based upon all available sources and upon personal exploration.

THE NETHERLANDS INDIES. By Johannes Rauws, H. Kraemer and others. New York: World Dominion Press, 1935, 186 p. $2.00.

The history and present status of missionary enterprise in the Dutch possessions.

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Factual and statistical.

Latin America

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An exhaustive monograph on the operation of the commission from 1923 to 1934.

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Another of the excellent volumes in the World Dominion Survey Series.

COLOMBIA AND THE UNITED STATES, 1765–1934. By E. Taylor Parks. Durham: Duke University Press, 1935, 554 p. $4.00.

A scholarly study of the relations of the United States with the southern Republic, of interest for its account of the Canal problem.

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ARMAMENT

STATISTICAL Year-Book of the Trade in Arms and Ammunition. Geneva, 1935. 326 p. 33 cm. (League of Nations, C. 264. M. 134. 1935. IX. 7.)

RECORDS of the Conference for the Reduction and Limitation of Armaments. Series D. Volume 4. Minutes of the National Defence Expenditure Commission February 27, 1932–June 3, 1933. Geneva, 1935. xi, 106 p. 33 cm. (League of Nations, 1935. IX. 8.)

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BALANCE OF PAYMENTS

BALANCES of Payments 1934. Geneva, 1935. 197 p. 27 cm. (League of Nations, 1935. II. A. 20.)

BRITISH EMPIRE

AN ECONOMIC SURVEY of the Colonial Empire (1933). London, 1935. vi, 573 p. 33 cm. (Colonial No. 109.) £1 5s.

CHINA

COUNCIL COMMITTEE on Technical Coöperation between the League of Nations and China. Report submitted to the Secretary-General by the Director of the Section for Communications and Transit, Secretary of the Council Committee, on his Mission in China (January–May 1935). Geneva, 1935. 50 p. 27 cm. (League of Nations, C. 410. M. 206. 1935. Gen. 5.)

COURT OF INTERNATIONAL JUSTICE, PERMANENT

MINORITY SCHOOLS in Albania. Permanent Court of International Justice, XXXIVth Session. Advisory Opinion of April 6, 1935. Leyden, 1935. 242 p. 24½ cm. (Series C, No. 76.)

CONSISTENCY of Certain Danzig Legislative Decrees with the Constitution of the Free City. Permanent Court of International Justice XXXVth Session. Advisory Opinion of December 4, 1935. Leyden, 1935. double p. 41–73. 24½ cm. (Series A./B., Fascicule No. 65.)

DENGUE FEVER

INTERNATIONAL Convention for Mutual Protection against Dengue Fever, Athens, July 25, 1934. London, 1935. 13 p. 24½ cm. (Treaty Series No. 37 (1935), Cmd. 5008.) 3d.

ETHIOPIAN-ITALIAN WAR

Co-ordination Committee

[The Co-ordination Committee is a conference of Members of the League of Nations for the purpose of applying measures of sanction against Italy as violator of the Covenant.]

DISPUTE between Ethiopia and Italy. Co-ordination of Measures under Article 16 of the Covenant. Co-ordination Committee. Principal Documents of the First Session (October 11–19, 1935). Geneva, 1935. 12 p. 33 cm. (League of Nations, Co-ordination Committee 40. 1935. Gen. 6.)

——— ——— CO-ORDINATION Committee. Decisions and Resolutions of the Second Session (October 31–November 2, 1935). Geneva, 1935. 4 p. 33 cm. (League of Nations, Co-ordination Committee 89. 1935. Gen. 7.)

——— ——— CO-ORDINATION Committee. Committee of Eighteen. Proposals and Resolutions adopted during the Second Session (October 31–November 6, 1935). Geneva, 1935. 4 p. 33 cm. (League of Nations, Co-ordination Committee 97. 1935. Gen. 8.)

——— ——— CO-ORDINATION Committee. Report of the Committee of Experts to the Chairman of the Co-ordination Committee. Geneva, 1935. 7 p. 33 cm. (League of Nations. Co-ordination Committee 106 (1). 1935. Gen. 10.)

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——— ——— CO-ORDINATION Committee. Committee of Eighteen and Sub-committees. MINUTES of the First Session, October 11–19, 1935. Geneva, 1935. 155 p. 33 cm. (Official Journal, Special Supplement No. 145.)

LEAGUE OF NATIONS

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MINUTES of the Council. Eighty-Eighth Session . . . Eighty-Ninth Session held at Geneva from [September 4–13 and September 17–October 7, 1935]. (League of Nations, *Official Journal*, November 1935).

Contains debates and resolutions of the Council, reports and also documents presented by the parties.

RECORDS of the Sixteenth Ordinary Session of the Assembly. Plenary Meetings. Text of the Debates. Geneva, 1935. (League of Nations, *Official Journal*, Spec. Sup. No. 135.)

The debate resulting in the recommendation to establish the Co-ordination Committee is in the 14th–17th plenary meetings, October 9–11, 1935.

HOARE-LAVAL PROPOSAL

DOCUMENTS relating to the Dispute between Ethiopia and Italy. London, 1935. 21 p. 24½ cm. (Ethiopia No. 1 (1935), Cmd. 5044.) 4d.

The documents submitted to the Council and its debates are in Minutes of Council, 90th session.

PROPAGANDA—ITALIAN

LEGIONARIUS. The Grounds for the Serious Charges brought by Italy against Abyssinia. Rome, "Ardita," 1935. 38 p. 19½ cm.

THE ITALO-ETHIOPIAN DISPUTE. Abstracts from the Memorandum of the Italian Government to the League of Nations. [Roma Società Editrice di "Novissima"] 1935. 24 p. 21 cm.

MÉMOIRE du Gouvernement Italien sur la situation en Ethiopie. Photografies annexées au volume II — Documents. n.p., n.d. 20 p. 26 cm.

With alternative title: Memoria del Governo Italiano circa la situazione in Etiopia. Fotografie allegate al volume II — Documenti.

MEMORANDUM of the Italian Government on the Situation in Abyssinia. 111 p. map, chart. 32 cm.

FRANCE — DIPLOMATIC RELATIONS

DOCUMENTS Diplomatiques Français (1871–1914). 2e Série (1901–1911). Tome VI (2 Janvier–6 Juin 1905). Paris, Imprimerie Nationale, 1935. xlv, 629 p. 27½ cm. (Ministère des Affaires Etrangères. Commission de Publication des Documents Relatifs aux Origines de la Guerre de 1914.)

HOUSING POLICY

HEALTH Organisation. The Housing Policy in The Netherlands by H. Van Der Kaa, General Inspector of Health, The Hague. Geneva, 1935. 102 p. 24 cm. (League of Nations, C. H. 1165 (a). 1935. III. 4.)

ORGANISATION d'Hygiène. La Question de l'Habitation Urbaine en France par Étienne Dennery, Professeur à l'École libre des Sciences politiques (Paris). Geneva, 1935. 218 p. 24 cm. (League of Nations, C. H. 1165. 1935. III. 3.)

The first of a series of monographs.

INDUSTRIAL PROPERTY

INDUSTRIAL Property Protection in Canada, by James L. Brown, Chief of the Industrial Property Section, Division of Commercial Laws, Bureau of Foreign and Domestic Commerce, Department of Commerce. Washington, 1936. 65 p. (Division of Commercial Laws, Special Circular 569.) 10 cents.

INTELLECTUAL COÖPERATION

L'ART et la Réalité. L'Art et L'État. Paris [1935]. 370 p. 22½ cm.

C.I.C.I. 1935. L'Enseignement Universitaire des Relations Internationales. Paris, 1935. ii, p. 429–526. 22½ cm.

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MARITIME COMMERCE IN WAR

POLICY of the United States Toward Maritime Commerce in War, prepared by Carlton Sav-

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age, Division of Research and Publication. Volume II, 1914–1918. Washington, 1936. xxii, 160 p. 23 cm. (The Department of State, Publication No. 821.) 20 cents.

The first volume of this work was published in 1934 and is Publication No. 331. The present volume is an advance print of Mr. Savage's text only; the documents will be included in the final print.

MARITIME CONFERENCE

PREPARATORY Maritime Conference, Geneva, November 1935. Hours of Work on Board Ship and Manning. Geneva, 1935. 180 p. 24 cm. (Report I.)

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ADMISSION of Aliens into the United States. Supplement A of the Consular Regulations Notes to Section 361. Revised to January 1, 1936. Washington, 1935. ix, 174 p. 23 cm. (The Department of State, Publication No. 805.)

NATIONALITY and Naturalisation Laws of Certain Foreign Countries. London, 1935. 59 p. 24½ cm. (Miscellaneous No. 4 (1935), Cmd. 5028.) 1s.

Continues Command Papers C. 7027 of 1893; Cmd. 1771 of 1922; Cmd. 2852 of 1927; Cmd. 3221 of 1928, and Cmd. 3907 of 1931.

NAVIES

FLEETS. The British Commonwealth of Nations and Foreign Countries. Particulars of the Fleets of the British Commonwealth of Nations, United States of America, Japan, France, Italy, Soviet Union, and Germany on the 1st day of January 1936, distinguishing, both built and building, Battleships, Battle Cruisers, Cruisers, Cruiser Minelayers, Minelayers, Armoured Coast Defence Vessels, Monitors and Netlayers, Aircraft Carriers, Flotilla Leaders and Destroyers, Torpedo Boats, Submarines, Sloops, Coastal Motor Boats, Gunboats and Despatch Vessels, River Gunboats, Fleet Escorts, and Minesweepers. London, 1935. 98 p. 24½ cm. (Cmd. 5038.) 1s. 6d.

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OPIUM TRAFFIC

TRAFFIC in Opium and Other Dangerous Drugs. Conference to consider the Draft Convention for the Suppression of the Illicit Traffic in Dangerous Drugs. Committee of Experts entrusted with the revision of the draft convention. Report to the Council with Revised Text of the Draft Convention. Geneva, 1936. 10 p. 33 cm. (Conf. S.T.D./2. 1936. XI. 3.)

——— ——— Text of the Draft Convention, Together with Observations of Governments on the First and Second Consultations (Replies to Circular Letters 159. 1933. XI and 120. 1934. XI). Geneva, 1935. 22 p. 33 cm. (League of Nations, Conf. S.T.D./1. 1935. XI. 10.)

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PUBLIC FINANCE, 1928–1935. Geneva, 1936. 27 cm. (League of Nations, 1936. II. A. 1.)
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COMMITTEE on International Assistance to Refugees. Report by the Committee Submitted to the Council of the League of Nations. Geneva, 1936. 18 p. 33 cm. (League of Nations, C. 2. M. 2. 1936. XII. B. 1.)
LETTER of Resignation of James G. McDonald, High Commissioner for Refugees (Jewish and Other) Coming from Germany addressed to The Secretary General of the League of Nations. With an Annex containing an analysis of the measures in Germany against "Non-Aryans," and of their effects in creating refugees, London, December 27, 1935. London, Headley Brothers, 1935. x. 34 p. 33 cm.
Also circulated by the League of Nations as C. 13. M. 12. 1936. XII. Annex.

STATISTICS

BRAZIL. Economic Conditions in Brazil September 1935. Report by E. Murray Harvey, O.B.E., M.C. and N. A. P. Sands. London, 1936. vi. 150 p. 24½ cm. (Department of Overseas Trade, No. 630.) 2s. 6d.
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SOVIET UNION (U.S.S.R.). — State Planning Commission. Central Administration of Economic and Social Statistics. The U.S.S.R. in figures, 1935. Moscow, 1935. 323 p. (In English.)

SUDAN

REPORT on the Administration, Finances and Condition of the Sudan in 1934. London, 1935. 157 p. 24½ cm. (Sudan No. 1 (1935), Cmd. 5019.) 2s. 6d.

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RECIPROCAL Trade. Agreement and Supplementary Agreement between the United States of America and Brazil, and Exchange of Notes. Washington, 1936. 36 p. 23 cm. (Executive Agreement Series, No. 82.) 5 cents.
NONAPPLICATION of Most-Favored-Nation Clause in Respect of Certain Multilateral Economic Conventions. Agreement between the United States of America and Other Powers, Signed *ad referendum* on the part of the United States of America at Washington, September 20. 1934. Washington, 1935. 8 p. 23 cm. (Treaty Series, No. 898.) 5 cents.
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AGREEMENT between His Majesty's Government in the United Kingdom and the Turkish Government respecting Trade and Payments with Protocol and Protocol of Signature, Angora, June 4, 1935. London, 1935. 35 p. 24½ cm. (Treaty Series, No. 40 (1935), Cmd. 5037.) 6d.

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AGREEMENT between His Majesty in Respect of the United Kingdom and His Highness the Amir of Trans-Jordan Supplementary to the Agreement Signed on 20th February, 1928, Jerusalem, June 2, 1934. London, 1935. 6 p. 24½ cm. (Treaty Series, No. 34 (1935), Cmd. 4999.) 1d.

TREATIES

LIST of Treaties Submitted to the Senate, 1935. Procedure during 1935 on, and status of, certain treaties submitted to the Senate, 1923, 1934. Washington, 1936. iii, 7 p. 26½ cm. (Department of State, Publication No. 817.) 5 cents.
Continues "List of Treaties Submitted to the Senate 1789–1934," Publication No. 765.

UNITED STATES — HISTORY

GUIDE to the Diplomatic History of the United States, 1775–1921. Washington, 1935. 979 p. 23½ cm. (Library of Congress.) $2.50.

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HAROLD NICOLSON, M.P., formerly in the British diplomatic service, author of "Peacemaking 1919," "Curzon: the Last Phase, 1919–1925," "Dwight Morrow," and other works * * * *N. BUKHARIN*, chief of the editorial board of *Izvestia;* one of Lenin's early colleagues in the Bolshevik movement; member of the Politbureau, 1918–1929; author of "Historical Materialism," "Imperialism and World Economy," and other works * * * *NORMAN H. DAVIS*, recently Chairman of the American Delegation to the London Naval Conference; Financial Adviser to the American Peace Commission at Paris and Assistant Secretary of the Treasury, 1919–1920; Undersecretary of State, 1920–21; American delegate to the Disarmament Conference, 1932, and Chairman of the delegation, 1933–35 * * * *ANDRÉ GÉRAUD*, known under the nom-de-plume of "Pertinax" as chief political writer of the *Echo de Paris;* author of "Le Partage de Rome" * * * *EDGAR SNOW*, for seven years an American journalist in China; now Peiping correspondent of the London *Daily Herald;* author of "Far Eastern Front" * * * *JOHN R. TUNIS*, frequent writer on sports subjects for the *Atlantic Monthly*, *Harper's* and other periodicals * * * *EDGAR ANSEL MOWRER*, formerly correspondent of the *Chicago Daily News* in Rome and Berlin, now stationed in Paris; author of "Germany Puts the Clock Back," and other volumes * * * *IDA C. GREAVES*, of the Department of Economics and Sociology in Iowa State College; author of "Modern Production Among Backward Peoples" * * * *RALSTON HAYDEN*, Professor of Political Science in the University of Michigan; Vice-Governor of the Philippine Islands, 1933–36 * * * *WILLIAM MILLER*, for many years correspondent in Athens of the London *Morning Post;* author of "The Latins in the Levant," "The Ottoman Empire," "Greece," and other works * * * *LAWRENCE A. FERNSWORTH*, correspondent of the London *Times* in Barcelona * * * *B. SHIVA RAO*, Vice-President of the National Trades Union Federation of India; member of the workers' delegation to the International Labor Conferences, Geneva, 1929 and 1930; delegate on behalf of the Indian workers to the first and second Round Table Conferences in London, 1930 and 1931 * * * *M. W. FODOR*, Vienna correspondent of the *Manchester Guardian* and the London *Observer* * * * *ROBERT GALE WOOLBERT*, Research Associate, Council on Foreign Relations; former student in the Istituto Coloniale Fascista, Rome * * * *VERNON A. O'ROURKE*, Assistant Professor of Social Science in St. John's University; author of "The Juristic Status of Egypt and the Sudan." * * * *WALTER B. KAHN*, member of the firm of Lazard Frères * * * *EDGAR PACKARD DEAN*, Research Associate, Council on Foreign Relations.

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